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# Preschool Children: Promises to Keep

A Report by the  
National Council of Welfare

Spring 1999

Canada





## **PRESCHOOL CHILDREN: PROMISES TO KEEP**

A Report by the

**National Council of Welfare**

**Spring 1999**



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Également disponible en français sous le titre:

Les enfants du préscolaire : des promesses à tenir

© Minister of Public Works and Government Services Canada 1999  
Cat. No. H68-48/1999E  
ISBN 0-662-27628-0

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## **I. THE FEDERAL GOVERNMENT AND ITS PROMISES TO CHILDREN**

Canadian politicians have made many promises about ending child poverty and supporting families with young children. In 1989, the House of Commons passed a unanimous resolution to eradicate child poverty by 2000. In 1991, Canada ratified the United Nations Convention on the Rights of the Child and made commitments to provide special recognition for children and an adequate standard of living for families. Throughout the decade, successive federal governments have pledged improvements to the number and quality of child care spaces.

To our disappointment, the years that followed these important commitments did not bring improvements in the lives of children. Instead, we have seen child poverty rates inch up from 14.5 percent in 1989 to a record high of 20.9 percent in 1996. Education and retraining, welfare, social services and health programs that serve both parents and children have suffered severe and arbitrary cuts that have reduced their ability to help families. The federal government's efforts to create more child care spaces have foundered. Even the term child care has become something of a dirty word in certain government circles. But no matter how often governments try to duck the reality, families with young children need good child care more than ever.

In the view of the National Council of Welfare, eliminating child poverty requires concerted efforts from the federal, provincial and territorial governments on many fronts. The National Council of Welfare believes that the only solution to the problems of child poverty is an integrated system of family policies that work together to support parents to take care of their children. All levels of government must commit themselves to ensuring that all the programs and policies that affect children and their families have adequate funding and that they work together to ensure the best use of resources.

The centrepiece of family policy must be a system of affordable, high-quality child care. Child care is the essential ingredient in the work force participation of parents of young children - especially mothers. Good child care is also an excellent opportunity to provide better early childhood education that ensures that all children have an equal chance at good development. The National Council of Welfare believes that policies for families with young children must support the choices of parents in the work force full time and part time as well as the choices of parents who decide to stay home to raise young children. This is why we propose a system that includes full-day child care

and half-day child care that covers the work hours of parents with full- and part-time jobs and also includes good part-day preschool for children with at-home parents.

The National Council of Welfare believes that Canada can make the changes in social policy that would turn the tide on child poverty and improve the lives of all Canadian children. The government of Quebec has already broken the trail in creating comprehensive family policy with public child care. Just as Saskatchewan provided the model for universal public health insurance in the 1960s, Quebec's efforts to pull together its public policies to support families show that good family policy is an achievable goal for all governments and a popular goal with families. This report sets out a plan to accomplish family policy across Canada.

We have heard rumblings in recent months that the federal budget for 2000 will be a children's budget. To us, a children's budget means a budget that would keep the promises made to children and one that would redirect several billion dollars in federal money to new and improved supports to families with children. It means major new federal spending on a child care system that combines early education with care that supports parents in the work force. It also means more generous provisions for parental leave, higher minimum wages, strong employment equity and pay equity, training programs for parents re-entering the job market and job creation efforts - especially for youth. A budget that did little more than throw a few hundred million dollars at a scattering of programs would be a betrayal of past promises.

We are most concerned about the future of child care programs. We are not convinced that the federal government and most of the provincial and territorial governments are serious about child care. Until they get serious, the promises they made will be nothing more than empty rhetoric.

This report is the second in a series by the National Council of Welfare focusing on issues facing children and families. Healthy Parents, Healthy Babies looked at pregnancy and the first year of children's lives. This report looks at issues and programs affecting the two million children - or almost seven percent of the Canadian population - who are between the ages of two and six. In the autumn of 1998, we published Child Benefits: Kids Are Still Hungry, a report about the Canada Child Tax Benefit. The Council plans to continue to make children's issues a priority. The next report in this series will be about school-age children.

## **II. STATUS OF CHILDREN IN CANADA**

Children today live in very different families from the families in which their parents grew up. At the height of the baby boom in 1960, the fertility rate was 3.9 children per woman, and children under 11 years old represented 28 percent of the 1961 population. By 1992, the fertility rate was 1.7 children per woman, and children under 11 represented only 17 percent of the 1991 population. During the winter of 1994-1995, the National Longitudinal Survey of Children and Youth found that almost half the children surveyed - 46 percent - lived with only one brother or sister. On average, a Canadian child 11 or under had only 1.3 brothers or sisters.<sup>1</sup> Where children used to learn about getting along in groups by playing with their siblings, they now must learn with children in the neighbourhood or in preschool.

Children's families are also less stable than ever before. In the winter of 1994-1995, the National Longitudinal Survey of Children and Youth found that while 84 percent of children live in families with two parents, only 79 percent of children aged 11 and under lived with both their biological parents.

Divorce rates have risen dramatically in Canada and most of the other western industrial countries. Although many couples enter common-law unions as a way to test the stability of relationships before entering marriage, common-law unions are even more likely to break down than marriages. As a result, young children experience dramatic changes in their families at an unprecedented rate.

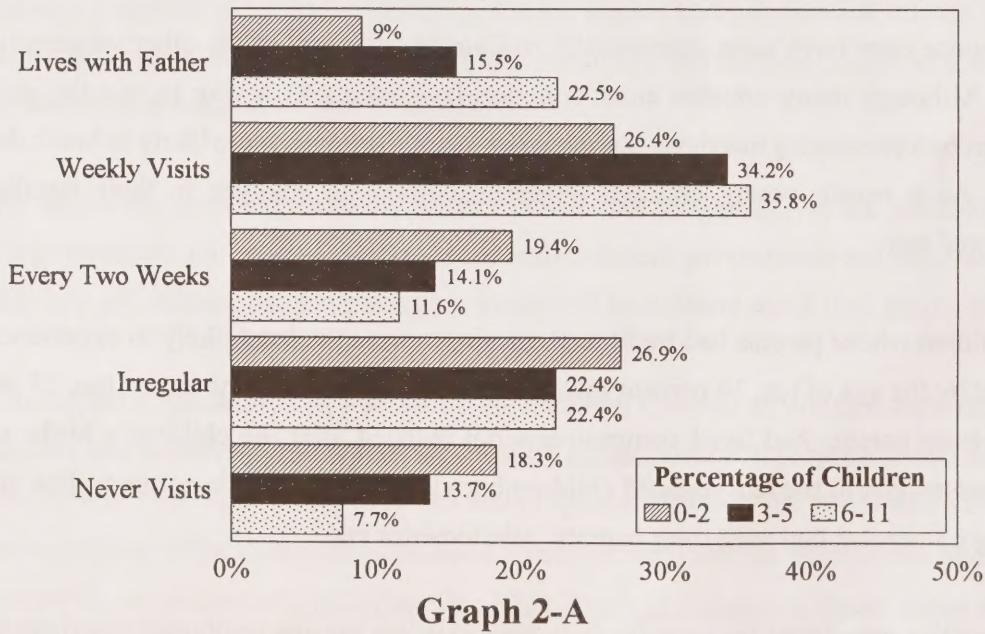
Children whose parents had traditional marriages were the least likely to experience family breakdown: by the age of ten, 14 percent saw their parents split up. By the age of ten, 25 percent of children whose parents had lived common-law but married after the children's births saw their parents separate. But of the ten-year-old children born to parents living in common-law unions, an astonishing 63 percent had seen their parents' relationships end.

Canadian parents are far more likely to have children outside traditional marriage than ever before. In the 1960s, more than 90 percent of children were born to mothers and fathers who were married for the first time and who had never lived together as a couple - either together or with others - before marriage. By the winter of 1994-1995, about 20 percent of Canadian children were

born to common-law unions, and another nine percent of children were born to parents who were not living together at all. In Quebec, the situation has changed most dramatically: 43 percent of children were born to common-law unions and only 51 percent of children were born to married couples.<sup>2</sup>

No matter the changes in their families, Canadian children almost always stay with their mothers. In the winter of 1994-1995, 16 percent of Canadian children lived with single parents. Almost all single-parent families were headed by women: 681,000 single-parent families were headed by women and only 53,000 by men,<sup>3</sup> a ratio of 13 to one.

## Contact with Father After Separation By Age Group of Children



The National Children's Survey findings in Chart 2-A show that the overwhelming majority of children live with their mothers after the parents separate: only nine percent of children under two, 16 percent of three- to five-year-olds, and 23 percent of six- to 11-year-olds lived with their fathers either full- or part-time during the winter of 1994-1995. After the separation of their parents, about a third of children have very little contact with their fathers (either irregular visits or no visits at all). After the parents have separated, children born of common-law unions are even less likely to see their fathers than children born to married parents.<sup>4</sup> Since fathers who have low levels of contact with their children are least likely to pay child support, these findings indicate that many, many Canadian children are at a high risk of losing both the personal and financial support of their fathers when their parents separate.

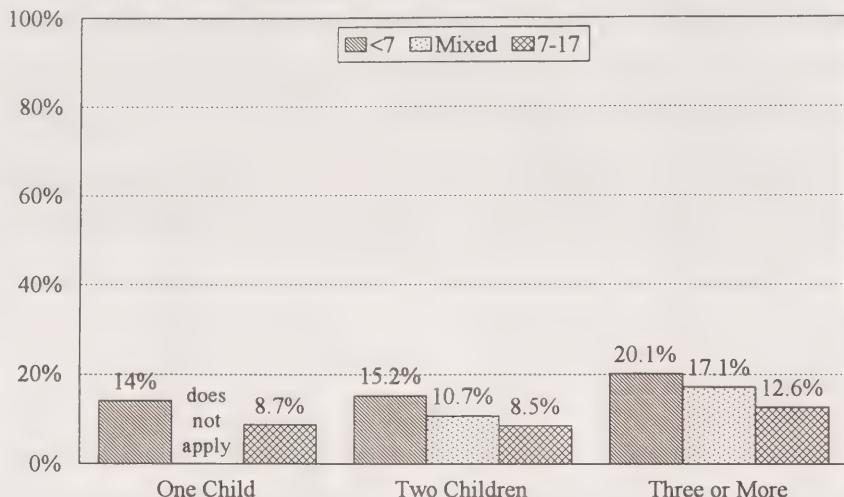
### **Family Poverty**

In the years it has tracked poverty in Canada, the National Council of Welfare has always found that families headed by single parents are extremely vulnerable to poverty. When the parents are particularly young or have little formal education, families are even more likely to be poor. While the poverty rate for couples with children under 18 was 11.9 percent in 1996, single-parent families headed by women had a 61.4 percent poverty rate. Families with two parents who are under 25 faced a poverty rate of 39.2 percent, but when they were headed by single-parent mothers under 25, they had a shockingly high poverty rate of 91.3 percent.

Not surprisingly, when families have more children, they are more likely to be poor. Families are also more likely to be poor when they have very young children. However, when a family is headed by a single mother, chances are that the family is poor no matter the children's ages. As Graph 2-B shows, the poverty rate for a couple with a child under seven was 14 percent in 1996. Graph 2-C shows that a single mother with a child under seven had a 70.6 percent chance of being poor.

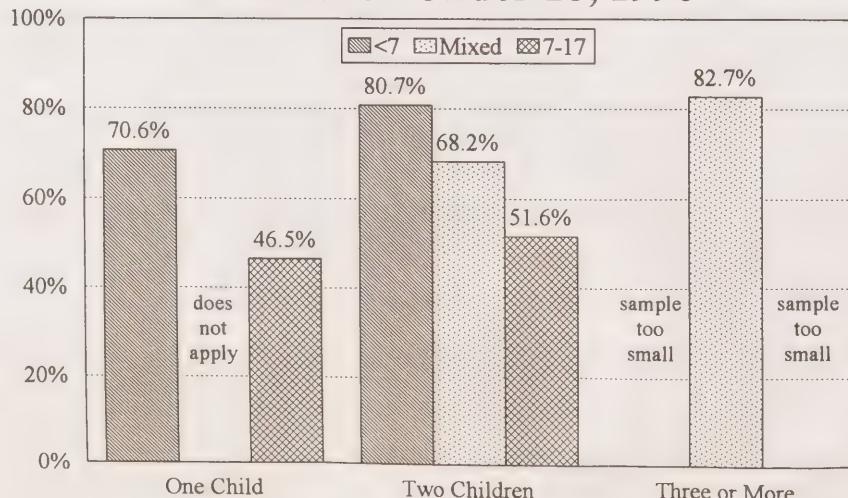
Canada's child poverty rates are very high - and rising. In 1989, child poverty concerned the members of Parliament so much that the House of Commons passed a unanimous resolution to end child poverty by 2000. But child poverty continued to increase.

### Poverty Rates for Two-Parent Families Under 65, by Number and Age Group Of Children Under 18, 1996



Graph 2-B

### Poverty Rates for Single-Parent Mothers Under 65, by Number and Age Group Of Children Under 18, 1996

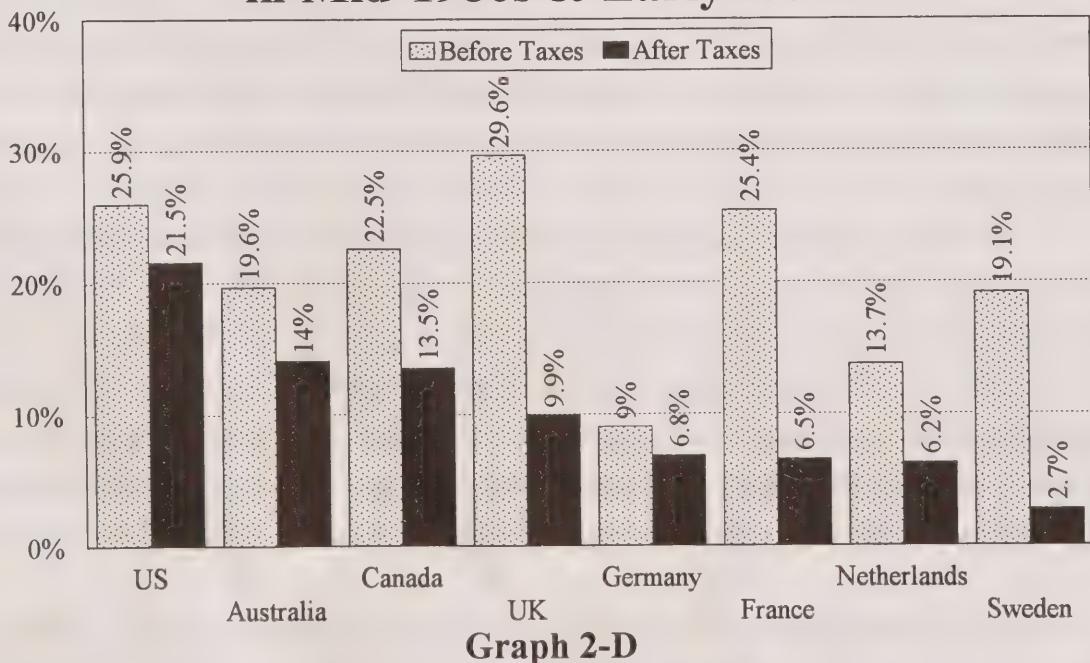


Graph 2-C

When the House of Commons passed its resolution in 1989, 14.5 percent of Canadian children were poor. By 1996, the rate rose to 20.9 percent, the highest in the 17 years that the Council has tracked child poverty. A 1993 UNICEF report noted that although child poverty rates in Canada were better than those in the United States, they far exceeded rates in European countries. The UNICEF report noted that this was due largely to declining supports from Canadian governments for families with young children.<sup>5</sup>

Graph 2-D shows data from Canada, several European countries and Australia using the poverty measures from the Luxembourg Income Study. The Luxembourg Study uses a different way of measuring poverty than the Statistics Canada low-income cut offs that the National Council of Welfare uses, so the numbers in Graph 2-D do not match the poverty rates we use in other parts of this report. The Luxembourg Study takes the poverty data from each country in different periods during the mid-1980s and early 1990s, so the information from each country does not come from the same year.

### Poverty Rates of Children in Eight Industrialized Countries in Mid-1980s & Early 1990s



The “before taxes” bars in the charts show the child poverty rates before any government interventions. The graph shows that before-tax child poverty rates are high in all countries, ranging from a relatively low nine percent in Germany to 29.6 percent in the United Kingdom. This happens because the earned incomes of parents are often inadequate to cover the costs of raising children. The “after taxes” bars show the child poverty rates after all forms of government programs that provide cash income, food stamps and similar benefits are added and taxes are deducted. The after-tax child poverty rate shows the level of poverty children actually live with after all government help is considered.

All of the other countries except the United States and Australia made much greater efforts than Canada to use their tax and benefit systems to reduce the impacts on children of the inequalities of the labour market. The U.S. reduced its before-tax child poverty rate from 25.9 percent to 21.5 percent, Australia reduced child poverty from 19.6 percent to 14 percent and Canada reduced its rate from 22.5 percent to 13.5 percent. The other countries were far more successful in providing help to families to make sure that fewer children had to live in poverty. France was able to reduce its child poverty rate from 25.4 percent to only 6.5 percent, the Netherlands started with a child poverty rate of 13.7 percent and was also able to reduce it to 6.2 percent, while Sweden began with a child poverty rate of 19.1 percent and reduced child poverty to only 2.7 percent.<sup>6</sup>

Government supports to families and to other low-income Canadians declined for most of the 1990s. On April 1, 1996, the Canada Health and Social Transfer replaced the Canada Assistance Plan and the Established Programs Financing. Federal funding for medicare, post-secondary education, welfare and social services dropped by about \$3 billion a year.

In its 1997 report Another Look at Welfare Reform, the Council found that the provincial and territorial governments had implemented cuts to most welfare programs. The most extreme example was the 21.6 percent cut to welfare recipients in Ontario in October 1995. The decision was completely arbitrary, with no assessment of how people who depended on welfare would be able to afford adequate food, clothing and shelter, let alone the impact of these cuts on young children and their families. People with disabilities were exempted from the cuts, but the thousands of families with children on welfare were not.

The full impact of these cuts on families and children was not felt immediately. Many good social programs can continue to provide good quality services for a short while before the full impact

of the cuts affects them, and families will use every resource they have to protect their children from hardship for as long as they can. But overwhelming evidence tells us that the extra stresses of poverty have long-term effects on children which will become evident as the children reach adulthood and are ready to enter the labour market and raise families of their own.

### **Parents' Employment**

Most parents depend on the income from their jobs to support themselves and their children. But for many parents working in low-wage jobs or part-time jobs, the extra costs of raising children make it impossible to escape poverty. These parents rely on social programs to help them make up the difference between the cost of raising their children and the income they get from their jobs. For parents who do not have paid work, social programs - and the help of families and communities - provide most of the supports that help them to meet their children's needs.

The main reason parents are poor is their inability to find work that gives them adequate incomes. Canada's unemployment rate is high by comparison with other countries. Although unemployment rates declined since the recession of 1990-91, they are still very high: 9.7 percent in 1996 and 7.8 in January 1999.

A special report by Statistics Canada showed that young people between 15 and 24 made up only eight percent of the 1997 Canadian work force, but they represented 29 percent of the unemployed. The unemployment rate for youth was a shocking 15.8 percent in December 1997, while the rate for other workers was 7.2 percent. School attendance rates was very high and youth employment was at an all-time low at the time of the report.

Statistics Canada notes that one particularly disturbing effect of this long period of youth unemployment is that many young people have never held jobs at all. The proportion of young people with no job experience at all jumped from 9.8 percent in December 1989 to 24.6 percent in December 1997.<sup>7</sup> Since these young people and the age group just slightly older than them are the part of the population who have young children, these trends are a cause for alarm.

Several other economic factors affect the ability of parents to support their families. The real value of provincial minimum wages has decreased significantly. In most provinces, even a single

person working full time cannot reach the poverty line. The poverty line for a two-person family in a large city was \$22,452 in 1998. With Ontario's minimum hourly wage of \$6.85, a person working 40 hours a week for 52 weeks would earn only \$14,248. Even with the new Canada Child Tax Benefit rates of \$1,625 for one child and a GST refund of \$503, the family would have only \$16,376. In British Columbia where the minimum hourly wage is \$7.15, a full-time worker would earn only \$14,872. With the Canada Child Tax Benefit for one child, the GST and additional provincial family benefits in British Columbia, the family would still have only \$17,937. A minimum-wage worker in Newfoundland would earn only \$5.25 an hour or \$10,920 a year. With the Child Tax Benefit for one child and the GST refund, the family would have an annual income of only \$13,048. For minimum-wage workers supporting dependent children, it is simply impossible to rise over the poverty line.

Canada has also seen a decline in "good" secure full-time jobs and a growth in the number of "bad" jobs with low wages that are temporary or part-time. For young parents with low levels of education, bad jobs are often the only real possibilities of employment, yet they cannot eliminate child and family poverty, no matter how hard a parent works.

The structure of work in the Canadian labour force simply does not support parents' efforts to balance work and family responsibilities. In its 1994 report on employed mothers, the Canadian Centre for Management Development identified the preschool years as the most demanding period in the lives of parents. Most parents, particularly mothers, reported that they sometimes find the pressures of managing a job and the demands of their families just too much and they often felt like quitting. When asked what employers could do to support work and family, women mentioned flexible work schedules (23 percent), increased family leave (20 percent) and on-site child care (19 percent).<sup>8</sup>

A 1997 study of flexible work arrangements by Human Resources Development Canada found a significant growth in the percentage of Canadian employees who have "flexitime," that is, flexible work arrangements where employees can vary the beginning and end of their work day around core hours. Between 1991 and 1995, the percentage of all paid workers with flexitime grew from 17 percent to 24 percent.

Unfortunately, the study found that the growth in flexitime has been highly concentrated among full-time, permanent employees and those with university degrees. Workers who were

married or in dual-earner families - and especially in dual-earner families with at least one child under six years of age - were more likely to be on flexible schedules. But lone parents, both men and women, were the least likely to hold a job with a flexible schedule.<sup>9</sup> It appears that when their workplaces will allow them to use flextime, parents use it as a tool for managing work and family responsibilities. But the most vulnerable employees and most vulnerable parents are the least likely to benefit from this workplace innovation.

For parents whose children have special needs because of health and disability, the situation is particularly tough. Employed parents report that they have to use vacation and their own sick leave to take care of their children's needs, which gives parents almost no time to spend together as couples or taking care of their other children. Even in workplaces that provide special leave to care for children, workplace culture makes it very difficult to get the leave they are entitled to have. In the words of a parent who works for Canada Post, "Getting permission to take special leave requires a letter from God."<sup>10</sup>

Balancing work and family arrangements does not have to be so difficult. Many European countries have developed employment policies with the express purpose of promoting women's equality and supporting working parents by establishing longer maternity and parental leave arrangements, flexible work hours and providing subsidized child care. Sweden, for example, has provided parental leave that can be used either full- or part-time at any point until a child is eight years old.

Swedish parents can divide the leave as they choose, continue to collect seniority in their jobs, or reduce their working hours while keeping their jobs. Parents are entitled to take up to 60 days leave a year to care for a sick child, or 120 days if they have two or more children under twelve. Leave is paid at 75 percent of the parent's wage. Sweden also provides high-quality public child care in a wide variety of arrangements that respond to the work hours of parents and the early child development needs of children. As of 1996, municipal authorities must provide child care spaces for all children between 18 months and six years, and provide before- and after-school child care.<sup>11</sup>

As a result, Sweden has achieved extremely high labour force participation by women and very low child poverty rates.<sup>12</sup> The 1998 United Nations Human Development Report notes that

Swedish women also receive a higher share of earned incomes: Swedish women receive 45 percent of earned incomes while Canadian women receive 38 percent.<sup>13</sup>

Sweden has achieved these successes under conditions that are very similar to Canada's. Like Canada, Sweden is an industrialized country with a high level of human development. Where Canada ranks number one of 174 countries on the United Nations Human Development Index, Sweden ranks number 10. Sweden's real gross domestic product per person was \$19,297 compared to Canada's \$21,916. Sweden ranks number one and Canada ranks number seven in the United Nations Gender Empowerment Measure, the tool that assesses women's access to high-status jobs and women's share of earned income.

### **Mothers in the Labour Market**

Many Canadian families rely on the earnings of mothers. In its annual Poverty Profile, the National Council of Welfare reports the rate of two-parent families who would have been poor if the wives had not been working. In 1996, 10.5 percent of families with husbands and wives were poor. If the wives in these families had not been working, the poverty rate for families would have been 21.4 percent. Women's paid employment is key to reducing family and child poverty.

More Canadian women have paid jobs than ever before. Only 42 percent of women over 15 had jobs in 1976, but by 1997, 52 percent of women were employed.

Mothers represent a large part of this increase. Between 1976 and 1997, the employment rate of women with children under 16 rose from 39 percent to 66 percent. The age of their children has a dramatic impact on mothers' labour market participation, but at every stage of their children's growth, most mothers have paid work. In 1997, 59 percent of all women with children under three and 62 percent of all women whose youngest children were between three and five years old were employed. Once their youngest reached six, 71 percent of all mothers had paid jobs.

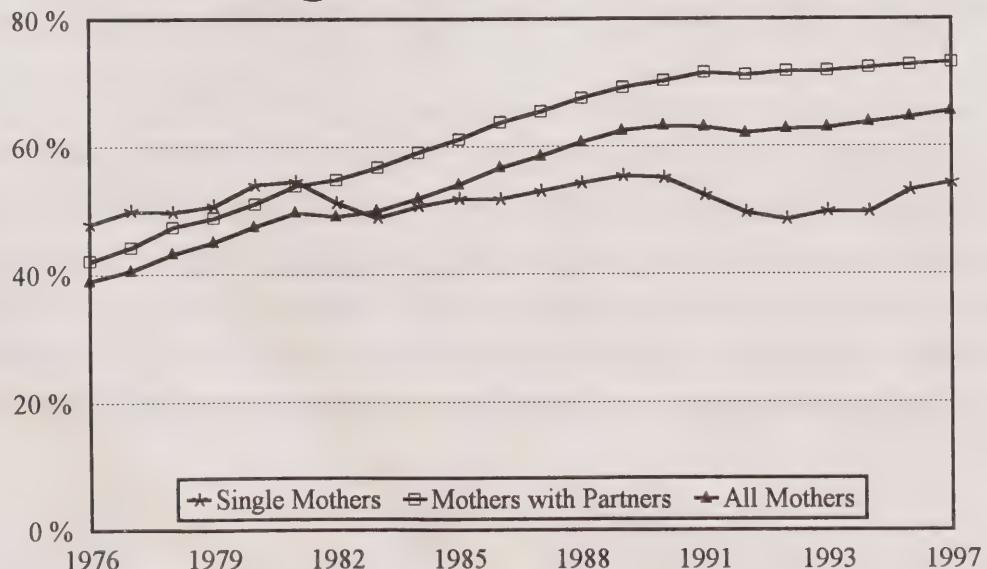
The National Council of Welfare is very concerned by the close link between child poverty and the unequal treatment of women and men in the work world. Women's wages are far lower than men's, so those families that depend on only one income are extremely vulnerable to poverty when the only wage earner is a woman. In 1996, Statistics Canada found that women earned only

73.4 percent of men's earnings and the 1996 average earnings of all women with earnings were only \$20,902 compared to \$32,248 for men.<sup>14</sup> The 1996 poverty line for a two-person family - for example, a single mother and her child - in a large Canadian city was \$21,769.

### **Single-Parent Mothers and the Labour Market**

Single mothers' jobs are especially vulnerable to changes in the economy. As Graph 2-E shows, while employment rates for all mothers rose steadily, employment rates for single-parent mothers actually dropped from 55 percent in 1981 to 50 percent in 1994. Statistics Canada attributes this in part to particularly large losses in jobs for single mothers during the recessions in the early 1980s and the early 1990s. By 1997, the employment rate for single mothers almost reached its earlier level when it climbed to 54 percent.

### **Employment Rates of Mothers Youngest Child Under 16**



**Graph 2-E**

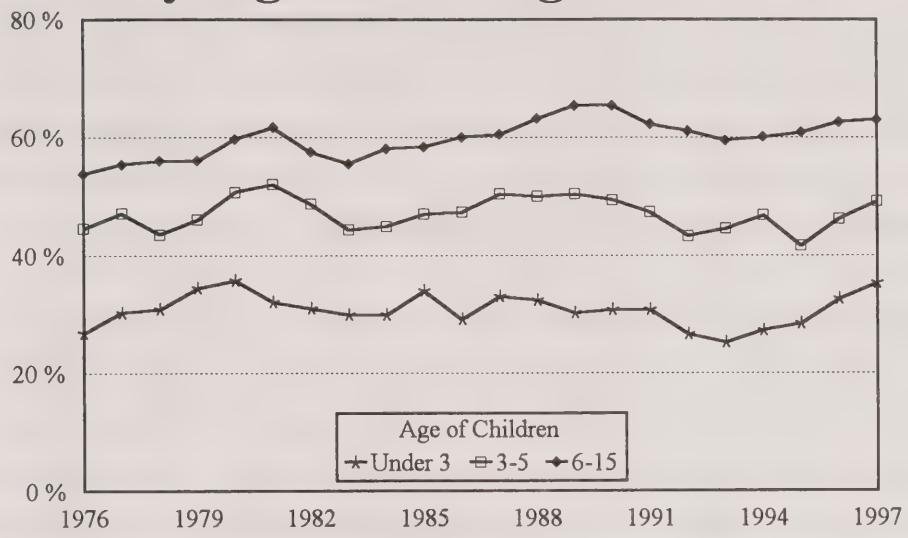
How old their children are has even more impact on the ability of single mothers to get and keep work than the ages of children of mothers with partners. Graph 2-F shows the employment rates of single mothers and Graph 2-G shows the rates for mothers with partners. For single mothers, employment rates are consistently lower, and the difference between the ages of children is much greater.

The 1997 employment rates for mothers with partners were 62 percent when the children were under three, 65 percent when the children were three to five years old, and 73 percent once the children reached six. Only 35 percent of single mothers were employed when their children were under three, 49 percent when the children were three to five years old, and 63 percent once the children reached six. Clearly, the responsibilities of caring for very young children without the presence of another parent make it extremely difficult to manage the demands of both paid work and family care.

With increasingly large numbers of children being raised in single-parent families - the vast majority of which are headed by women - it is more important than ever before to ensure that governments provide the social supports to mothers to find and keep jobs that can move them and their children above the poverty line. Aside from the improved income for their families, there is overwhelming evidence that children can benefit developmentally when their mothers are employed - if their mothers have decently paid jobs where they are treated respectfully.<sup>15</sup> This is particularly true when mothers are moving from welfare back to the paid work force.

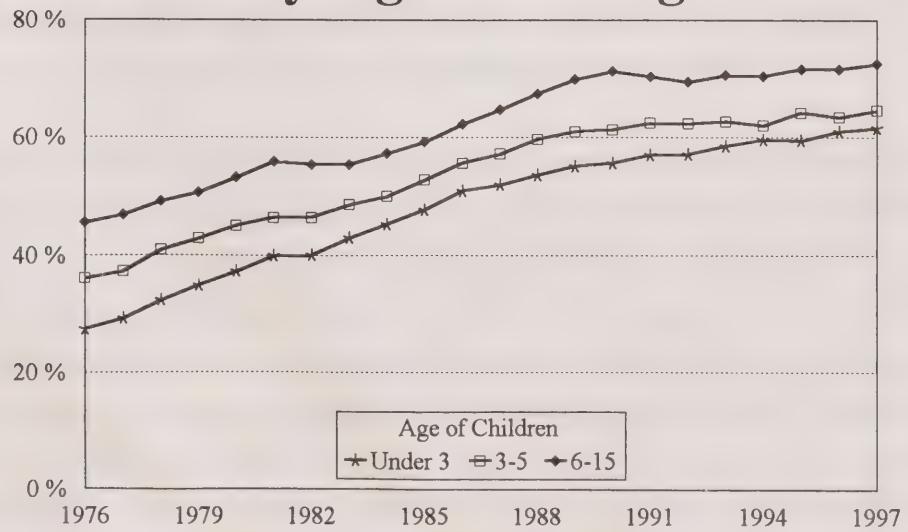
Several U.S. studies have found that when mothers on welfare look for and find employment voluntarily, they and their children benefit in many important ways. These studies show results ranging from higher self-esteem and more positive opinions of how their families function, to higher reading achievement and vocabularies. Daughters of mothers who are employed full time had higher grade point averages than other children, and they describe their families as putting a higher priority on independence and achievement - all results that indicate that these girls will be more likely to do well in their studies and manage in the work force as independent and self-supporting adults themselves.

## Employment Rates of Single Mothers By Age of Youngest Child



Graph 2-F

## Employment Rates of Mothers with Partners By Age of Youngest Child



Graph 2-G

A study of 1,154 U.S. children whose mothers were single and had received welfare found that children whose mothers were employed did not suffer any negative effects, even when mothers were employed at very low wages, but when the mothers' wages were higher, children's outcomes were better. The children whose mothers were employed in very low paid jobs had outcomes that were about the same as those children whose mothers stayed on welfare. When mothers were employed in jobs paying more than \$5.00 U.S. an hour, researchers started to find improved outcomes for the children. At \$5.00 U.S. an hour, children's reading and math scores were better. When mothers were paid \$7.50 U.S. an hour or more, even more positive outcomes appeared - such as fewer behavioural problems and improved reading comprehension.<sup>16</sup>

The quality of the mothers' jobs is a very important factor in how their families fare. U.S. studies show that parents with complex jobs were more likely to encourage self-direction and flexibility in their children. On the other hand, working in repetitive and heavily supervised jobs erodes parents' intellectual flexibility and can lead parents to stress obedience over independence in their children. A poorly paid, stressful job with long hours jeopardizes the quality of parenting by demanding the parent's time, energy and attention, while adding very little materially to the family's well-being.<sup>17</sup>

During recent welfare reforms in Canada, several provincial governments introduced policy changes that force single parents to find work while their children are still very young. In Alberta, for example, the old welfare policy exempted single parents from job search requirements until their children were two years old. As of 1993, single-parent welfare recipients must seek work or enter training once their children are six months old.

The National Council of Welfare supports policies that provide incentives to low-income parents to find and keep satisfying and decently paid jobs. The Council also supports approaches to social policy that support the opportunities for full participation of women in the work force. It seems obvious that encouraging parents to find and keep jobs makes good sense all around for parents, children and the welfare system. But in reality, most single parents just cannot go to work without good social services - child care in particular - to back them up. The chronic shortage of child care spaces, the high cost of child care, and the other costs related to finding and keeping a job create barriers to entering the work force, especially for parents who would normally receive low wages. Until real supports for parents in the work force exist, the pressure from welfare departments to seek work can only be described as punitive and unfair.

## **Child Care and Parents in the Labour Market**

As parents across the country will testify, the absence of child care is a significant obstacle to finding and keeping jobs for parents of young children. All the major reports on women and work have pointed to child care as essential to women's participation in the work force. Overwhelming evidence shows that children need high-quality child care to benefit from the experience, and public regulation has proven again and again to be the best way to ensure quality in child care.

Very little regulated child care even exists in Canada. The University of Toronto's Childcare Resource and Research Unit estimates that there are regulated child care spaces for only 8.4 percent of the children who need them.<sup>18</sup> Most parents rely on unregulated care - often by family members and neighbours - where the quality of care is completely unpredictable. This creates unconscionable risks for children's health and safety, and unnecessary anxiety for their parents. For parents and children with special needs such as the children's health or disability, and for parents working irregular hours or shift-work, child care is often completely unavailable.

Nearly all studies about the decisions mothers make about their employment show that the cost of child care is one of their key considerations. Many studies have shown that for single-parent mothers, the effects of the cost of child care on labour market participation are even stronger than for other parents. The Canadian National Child Care Survey found that if child care costs rose by ten percent, the employment rate of single-parent mothers would drop by about six percent. Nearly 40 percent of single-parent mothers who were working and paying for child care reported that if their child care costs were to rise by 25 percent, they would quit their jobs.<sup>19</sup>

The costs of Canadian child care are high and they are rising. Fees for a preschooler's care ranged from \$348 to \$536 a month in 1995, with some parents paying as much as \$850 a month for high-quality care in downtown Toronto or Ottawa. A 1998 study from Status of Women Canada showed that with the federal, provincial and territorial governments' cuts to funding for social programs, the costs of child care are rising. At the same time that fee subsidies to low-income families have been cut or frozen, eligibility criteria for subsidies have become more restrictive, and family incomes are decreasing.<sup>20</sup>

The issue of child care has been raised again and again by the National Council of Welfare, by other social policy organizations, by women's rights groups and by child development experts.

Successive federal governments have made commitments to a national child care program. As recently as 1993, the federal Liberal Party promised to create 50,000 new child care spaces in each year that follows a year of three percent economic growth for a total of 150,000 new spaces, if it could obtain the consent of the provinces and territories. The spaces have simply never materialized.

Although there are many excellent child care programs scattered across the country, Canada has never succeeded in creating a national child care system. The absence of a national system that guarantees quality, affordability and accessibility is nothing short of outrageous. The issues around providing good quality, affordable and accessible elementary school were debated and resolved a century ago, but the debate over child care continues - even in the face of overwhelming evidence that public investment in child care is as good for the country as it is for children and their families.

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### **III. CHILD DEVELOPMENT ISSUES FOR TWO- TO SIX-YEAR-OLDS**

Good health and development during early childhood are among the most important factors in making sure that people grow up healthy enough to learn, find work, raise families of their own and participate fully in society for the rest of their lives. Other factors such as the social supports people get from their family and friends, the communities in which they live, their level of education, and the luck of being born with good genetic endowment are also very important to people's health. All these factors work together and all are significant, but research has proven that of all of them, the most important is income and social status.<sup>1</sup>

Governments themselves have recognized this by adopting a population health approach to health and social policy in the 1990s. Table 3-A on the next page shows the determinants of population health identified by Health Canada.

Even when people have all the basics such as adequate food and shelter, the higher their income and social status, the better people's health. The Whitehall Study followed the health of more than 10,000 British civil servants for nearly 20 years. It showed that health and life expectancy improved at each level in the ranks of the civil service, even though all the people studied had adequate incomes, and all worked in "low risk" office jobs. Even when the study looked at "high risk" health behaviours such as smoking, researchers found that top people who smoked were much less likely to die of smoking-related causes.<sup>2</sup>

Stress explains a lot of the differences in health status. Living with prolonged stress hurts the biological systems of all animals - including people - and gives rise to many illnesses. For example, children who lived with some stress and were exposed to streptococcal infections were more likely to become ill than children who were similarly exposed but had not had stressful experiences.<sup>3</sup> When the Whitehall Study looked at the differences in coping with stress at each level within the hierarchy of the British civil service, it found that although all ranks in the study had similarly raised levels of stress when they were at work, the blood pressure of senior administrators dropped when they went home, but low-level workers' did not. Both animals and people who live in unsatisfactory, low-level social arrangements live in states of constant alert, never knowing when there will be another threat to their sense of well-being.<sup>4</sup>

**TABLE 3-A**  
**DETERMINANTS OF POPULATION HEALTH**

Income and Social Status	Health status improves at every step up the income and social ladder.
Social Support	Supports from families, friends and communities have effects as strong as risk factors such as smoking and physical activity.
Education	Health status improves with level of education. Education increases opportunities for income and job security.
Employment and Working Conditions	Increased control over one's work environment and fewer stresses increase health.
Social Environments	The combination of employment, social status, social support networks, education and social factors in the workplace work together to affect health.
Physical Environments	Air, water and soil quality in natural environment and housing, workplace safety, community and road design affect health outcomes.
Biology and Genetic Endowment	A person's predisposition to disease or disability affects health.
Gender	Health experiences of men and women are different (for example, child birth). Women's and men's use of the health care system and social experiences also differ.
Personal Health Practices and Coping Skills	People's health behaviours and coping skills are key influences.
Child Development	Health at birth is affected by mothers' health, income and living conditions. Early development has significant effects on brain growth.
Health Services	Quality, affordability and accessibility of health services affect populations' health.
Culture <sup>5</sup>	Health practices, use of health services, life in community are all affected by culture.

These findings about stress help to explain some of the difficulties of parenting while coping with the pressures of high-stress, low-status, low-paying jobs, living as a single parent without a partner to share the burden, or living on welfare, in poor housing or in a run-down or dangerous neighbourhood. One result of these stresses is that parents' capacity to provide the responsiveness and appropriate discipline essential for optimal child development is seriously compromised.

The National Longitudinal Survey of Children and Youth (National Children's Survey) found that the capacity of parents to care for children and their children's developmental outcomes are better at each step up the income ladder. Low social support, family dysfunction and depression in children's caregivers had significant negative effects on children's outcomes. Of the children living in low-income households, 18 percent lived with parents who had many symptoms of depression. In middle-income households, the rate was eight percent, and in higher-income families the rate was only five percent. Children living with depressed parents were almost four times as likely to be living in lower-income households than in higher-income households.<sup>6</sup>

Study after study in Canada and other countries have shown the impact of poverty on all aspects of children's development, with short-term and long-term effects. During the first four years of life, injury is the most common cause of death of Canadian children, and children living in poor neighbourhoods are more likely to die of injuries. Aboriginal preschoolers have a death rate from injuries that is more than five times the rate of the total Canadian preschool population.

Motor vehicle accidents, drowning, and burns are the leading causes of children's deaths by injury. Thirty-eight percent of those injuries were caused by motor vehicle accidents. One reason for the high level of deaths of young children in car crashes is the poor use of child restraints. In 1989, a Transport Canada survey reported that less than half of all Canadian preschoolers travelling as passengers in motor vehicles were properly restrained.<sup>7</sup> There are many other strong associations between poverty and environmental dangers to children: children in families on welfare, for example, are far less likely to use seatbelts than children in general.<sup>8</sup>

Child abuse occurs in families of all incomes, but it is a particularly great problem for children living in poverty. The families investigated by child welfare services are disproportionately poor: between 38 and 50 percent of families investigated for child abuse in Ontario in 1993 were on welfare. Although some of these investigations may be biased on the basis of social class,<sup>9</sup> strong evidence indicates that children are far more likely to be physically, sexually and emotionally abused

when they live in poor neighbourhoods. Concentrated neighbourhood poverty and child abuse are very closely linked, and abuse is more likely the more intense the poverty in the children's neighbourhood. Researchers believe that this is caused in part by the stresses of living in poverty, and in part by some individual and family characteristics that lead to poverty.<sup>10</sup> For children, the combination of these factors create environments that are both physically and emotionally dangerous. For children in families already dealing with other stress factors, the results of abuse are particularly damaging.

An Ontario study found that poor children have consistently higher levels of problems with psychiatric disorders, poor school performance and social impairment. The poorer the families, the worse the results, but the differences are most marked for children whose families' annual incomes were below the poverty line.<sup>11</sup> The National Children's Survey found that four- and five-year-old children in poorer families are less likely to have the skills that make it easier for them to enter school than children from middle-income families. However, neither poor nor middle-income children fared as well as children from families with high incomes.<sup>12</sup>

Early childhood has often been called the "critical" or "investment" period for intervention in population health. The impacts of experiences in early life build on each other and affect people's physical and emotional health throughout their lives. Children who benefit from certain positive experiences during this period - even when they are exposed to many other risk factors - sometimes develop unusually good social or coping skills which can help them to cope with risk and adversity for the rest of their lives.<sup>13</sup>

New understanding of the enormous effects of early childhood experiences on a person's whole life has led to a debate about the best social policy approaches to working with young children. Unfortunately, this has led some people to believe that governments should focus their efforts on early childhood, and then ignore the social programs that support other important times and aspects of people's lives. Without supports that cover the other important factors of population health, the successes of even the best early interventions are diminished. Some of the positive effects of U.S. Head Start programs on children's I.Q., for example, can fade out in a few years if children go on to poor-quality elementary schools and continue to live in high-risk situations.<sup>14</sup> With good supports that continue beyond early childhood, the positive results of good programs are protected and even amplified. At the Abecedarian project in North Carolina, children who participated in good quality early childhood programs with follow-up into elementary school achieved reading scores far

higher than either the children who attended preschool without follow-up or the children who attended elementary school without preschool.<sup>15</sup>

Health Canada and many of the provincial and territorial governments have adopted population health as their approach to policy and planning. The National Council of Welfare supports this sensible and comprehensive approach to social programs. Good social policy for children must include strong supports to their parents and their communities. Social policy that includes strong supports for parents may also help to reduce the strains on couples raising children together and help to maintain more stable and enduring relationships between parents. Many single parents are able to raise children on their own, but sharing the job of raising children with a supportive partner and the possibility of two incomes instead of one reduces parents' stress levels and the likelihood that families will live in poverty.

### **Child Development Goals for Preschoolers**

Between two and six years of age, a child moves from babyhood into childhood, and begins to develop his or her independence from adults. Young children begin to make their own friends, express their own ideas and explore the world around them. While they develop their independence, they depend on the care, guidance and constant supervision of their parents and the other adults around them.

The intense growth and development during this period have enormous impact on children's future health and social development. One measure of the achievement of children's developmental goals is their preparation and readiness for formal school. School readiness at age six has a great impact on children's capacity to benefit from primary school, and children who are successful in primary school are much more likely to complete high school.<sup>16</sup> Higher levels of education help people to find and keep good jobs with incomes that allow them to raise their own children out of poverty.

A 1997 research paper about school readiness that was prepared for Human Resources Development Canada identifies five main components to child development:

- physical well-being and appropriate motor development;
- emotional health and a positive approach to new experiences;
- age-appropriate social knowledge and competence;
- age-appropriate language skills; and
- age-appropriate general knowledge and cognitive skills.<sup>17</sup>

As Table 3-B on the next page shows, each part of child development becomes a foundation for the next. Like the determinants of health, all these factors of child development work together to create optimal development. Good early childhood programs have been proven to have a significant impact on helping children to achieve some or all of these goals, and on supporting their parents to provide the care their children need.

But it is also important to remember that in all early childhood development, research shows that poverty plays a serious and negative role. Children who are born into and raised in poverty face serious obstacles in their earliest development that shape their access to education, jobs, a stable family, and a fair start to life. Other factors such as coming from certain racial or cultural minorities or having health or developmental difficulties make it much harder - and sometimes impossible - for certain children to meet the goals of school-readiness.

TABLE 3-B

SOME DEVELOPMENTS IN COMPONENTS OF SCHOOL READINESS BETWEEN BIRTH AND AGE FIVE<sup>18</sup>

Age	Motor Development	Emotional Health/Positive Approach to New Experiences	Social Knowledge and Competence	Language Skills	General Knowledge and Cognitive Skills
Two months	sucking and other survival reflexes, little voluntary control	unable to differentiate self from other	no concept of being able to influence another	reflex crying when nervous system is over stimulated	no understanding of cause-and-effect
One year	independently mobile using non-walking methods, can walk holding onto something, able to grasp items using thumb and forefinger	can differentiate primary caregiver(s) from others, will use caregiver as a secure emotional and physical base for exploration	understands that others can act and be acted upon, engages in games with familiar adults, imitates others	skilled at using gestures, e.g., holds up arms to be picked up. Imitates words, first spontaneous and deliberate word uttered around age one	engages in task variation and deliberate experimentation, has some sense of cause-and-effect in a specific situation
Two years	able to walk and climb stairs, eye-hand co-ordination sufficiently developed to allow manipulation of large objects	increasing self-confidence, will move a considerable distance from caregiver when exploring	interested in playing along side other children, but not actually with them in a joint activity	can string two or three words together in a simple sentence, e.g., "look truck"	begins to move from reliance to replica objects, e.g., a doll, in pretend play to use of substitute objects, e.g., a pillow for a "baby"
Three years	skilled at climbing and jumping. Fine motor co-ordination sufficiently developed to permit manipulation of small objects	beginning to regulate own behaviour, tries to handle emotions such as frustrations but still needs adult help and guidance	interested in playing with other children. Has difficulty sharing because of difficulty taking the perspective of another	shows some basic idea of grammar, e.g., adds "s" for a plural, asks questions, forms multi-word sentences	shows some basic understanding of categorization, e.g., can sort by colour or by shape, but makes mistakes
Four years	can control a pencil and cut with scissors	can control own emotions, such as anger or frustration, in many situations with minimal adult assistance	plays with other children. Is able to take turns and engage in cooperative activities	can join simple sentences together to describe a past or present action or experience	reliably sorts by colour or shape, but not by both simultaneously
Five years	able to write letters, turn book pages without tearing them	has some ability to stop and think before deciding how to act, is curious about the world outside the home	has basic peer relationships skills, e.g., knows how to enter a group	can hold a prolonged conversation and express ideas	by the end of the year, can sort by both colour and shape simultaneously

Physical Well-being and Appropriate Motor Development. During early childhood, children begin to walk, climb stairs, ride tricycles and play outdoors with their friends. While they develop the physical ability to be independent and the judgement to cope with their independence, small children rely on the adults in their lives to ensure that their environments are safe. By the time children enter school, they must have the physical skills to sit for prolonged periods, hold a pencil, and turn the pages of a book. To succeed in school, children must also be healthy enough to attend school regularly and to concentrate on their lessons.

The National Council of Welfare's 1997 report, Healthy Parents, Healthy Babies, showed the importance of social programs and income supports to ensure that children are born healthy to healthy parents. Poverty and the lack of good prenatal care frequently results in babies born with low birth weights, long-term disabilities and developmental delays. Good nutrition and stimulation from the very start are essential to the healthy development of children's brains and bodies.

To make sure that their children can achieve optimal physical development, parents must be able to provide safe and healthy environments for their children and make sure that an adult is present at all times to supervise. Good quality early childhood programs that involve parents in learning about their children's needs have been proven to help parents provide safer environments for their children and to improve health outcomes from lower rates of childhood injuries and poisonings to higher childhood immunization rates. Studies of many early programs show that parents who are given the information make the changes that improve their children's lives.<sup>19</sup>

U.S. Head Start programs have found that children who participated in their programs have better immunization rates and better nutrition. As a result, children have higher growth rates, higher levels of iron and other beneficial nutritional elements.<sup>20</sup> Children whose mothers benefitted from good home visiting programs in New York State's Appalachian region had 40 percent fewer injuries and poisonings and made 35 percent fewer visits to the emergency department than children in the comparison group.<sup>21</sup>

Programs that support parents are also key to reducing the risk of child abuse. Parents are most likely to become abusive when they have low self-esteem, lack parenting skills, live in poverty and lack family support, so interventions that affect these risk factors reduce the risks to their children. Good quality child care that provides parents with a short break from looking after their children, or provides regular care while parents work or attend training programs takes some of the

pressure off parents. At the same time, it ensures that young children are always provided with the supervision they need for safety.

Emotional Health and a Positive Approach to New Experiences. When children develop happy and secure attachments to adults who care for them well, they learn to trust that they will be taken care of and can learn to take risks on their own. The security and emotional stability that children develop through secure attachments help them to develop the skills they need by the time they enter school, where they must be able to try new tasks, be persistent in repeating exercises and be able to protect themselves from the fear of failure.

Parenting that promotes optimal child development combines responsiveness to children's needs with discipline. Results from the National Children's Survey show that very good parenting can help children in high-risk situations to achieve developmental results that are equivalent or even better than children in more favourable situations who did not benefit from such good care.<sup>22</sup> The National Children's Survey results also show that certain risk factors make it particularly hard for parents to provide this care. Low social support, family dysfunction and depression in caregivers have significant negative effects on children's outcomes.

Parents who are poor face extra obstacles in providing their children with emotional stability. Young children are especially vulnerable to the strains of coping with their families' economic stresses. A study of children in Sudbury, Ontario, found children whose fathers' jobs were uncertain worried tremendously, and the younger children in this study - in this case, grade 6 students - worried more than the older children. Children whose fathers' jobs were at risk fretted about many things that were not related to their fathers' employment - such as their mothers getting sick or going away or someone dying.<sup>23</sup>

Strong early childhood programming that involves and supports parents helps to reduce many of the emotional risks to families and children. The National Children's Survey researchers recommend several early childhood interventions to promote the emotional development of children. These include providing social support for families, intensive services for children exposed to multiple risk factors, training for parents to help them understand the impact of their parenting styles, and providing community-based parent support programs such as accessible, welcoming parent resource centres.<sup>24</sup>

Young children's emotional needs are also met by adults outside their families. Children often form secure attachments with more than one caregiver - if those caregivers know them well enough to respond to each child's special needs and respond to them promptly and warmly. Even very young children can have secure attachments to their mothers and fathers, as well as having secure attachments to a few other adults who take care of them regularly and know them well, such as their grandparents or regular child care providers. Researchers have found that when children are secure with their caregivers, they are more likely to be curious about the world around them and more likely to play with others.

Children's attachments to the adults in the programs they attend are very important. Many studies have shown that children have very similar reactions to their caregivers as they do to their parents. When the caregivers are consistent, studies show that the children and caregivers have more interaction with each other, and the children are less anxious and less likely to be socially withdrawn or aggressive. When there is a high turnover in caregivers - as there often is in Canadian programs - children show less secure attachments to caregivers, spend less time in social activities and more time wandering aimlessly, and have lower scores in language development and lower perceptions of their own competence.

Community-based programs for children and families in Canada are plagued by very low funding. Too many programs provide low salaries and benefits for the people who look after children and have too many children per staff person - all conditions that have been proven again and again to increase staff turnover. High staff turnover damages the quality of children's programs by disrupting the important emotional connections between children and caregivers.

Having staff trained in child development has also been proven to increase the ability of programs to encourage children's development and to ensure that the interactions of adults with children are appropriate for the children's ages and needs.<sup>25</sup> Despite this evidence, Canadian programs do not receive adequate funding to attract and keep highly trained staff and to provide them with the on-going training to keep their skills up to date. A 1998 report on the Canadian child care work force found that the cost of formal child care training posed a serious obstacle for students who expected to receive low salaries once they were trained, and the low levels of funding made it very difficult for child care organizations to provide training for their staff.<sup>26</sup>

Many studies have shown that community-based programs play an extremely important role in providing support to parents and in working with children directly. Ensuring that programs for young children have the funding to attract and keep qualified staff who can support children's emotional growth must be a priority for Canadian social policy.

Age-appropriate Social Knowledge and Competence. Six-year-old children are expected to be able to conform to acceptable levels of behaviour in public places. This means learning to control their behaviour, co-operate with others on assignments, show respect for adult authority and communicate their feelings and desires in socially acceptable ways. By the time they enter school, children must know how to play with others, make and keep friends, and make judgements of their own.

Very young children are self-centred. They slowly develop a sense of the world around them and the needs of others by watching others and by getting direct instructions. The involvement of caring adults is essential. Instructions to "Say hello to Mrs. Jones," to wave goodbye and not to hit tell children how they are expected to treat others.

At first, children play one-to-one games with the adults who take care of them. At about 15 months, they develop an interest in playing near others. As they develop, children begin to be able to put themselves in someone else's position. With the guidance of adults, children learn the "rules" of playing that allow them to be accepted by others - for example, how to share toys, how to play without hitting and how to enter a group. Children have to learn to be accepted by other children. Children who are not accepted by others carry lifelong emotional difficulties and are far more likely to drop out of school.<sup>27</sup>

Children also benefit from opportunities in child care settings and drop-in programs where adults other than their parents supervise their play. For children whose parents are socially isolated or who lack the skills and confidence to provide guidance to their children, the social opportunities of these programs are very valuable. In fact, studies of early childhood education programs such as the High/Scope Perry Preschool in Michigan show that the positive effects on children's socialization last. Children show better behaviours in school, are more likely to complete school, are less likely to be involved in crime and are more likely to form stable families of their own when they become adults.<sup>28</sup>

Age-appropriate Language Skills. By school age, children must be able to understand the communication of the children and adults around them and to communicate with others. Children develop these skills when adults spend time with them talking, playing and reading stories.

The most sensitive period for language acquisition is between nine months and five years of age. After that time, children remain quite sensitive to language for another two years. Later in life, language acquisition is still possible, but takes a lot more effort.<sup>29</sup>

Language skills are obviously key to communicating with others, but they are also part of general learning. The idea that things are “symbols” for other things is part of learning skills such as reading and math. Children who do not master these skills become very frustrated and are less likely to succeed in school. Poor language skills in early childhood are among the predictors of later delinquency. Evidence from several studies suggests that good language skills developed early in life may even help to protect children against later behavioural problems.<sup>30</sup>

Dozens of studies have shown that good quality early childhood programs have a remarkable impact on children’s language skills, which in turn affect their ability to get along with other people. In Sweden, children who entered public day care as infants had higher scores on verbal tests and in school subjects than the children who entered day care later.<sup>31</sup> Swedish children who participated in child care continued to benefit from these experiences when they were tested at ages eight and 13. In the words of the Swedish researchers, “The results indicate that early entrance into day-care tends to predict a creative, socially confident, popular, open and independent adolescent.”<sup>32</sup>

The High/Scope Perry Preschool Program in Michigan found that within three months of entering the program and immediately after the preschool program, children significantly outscored others on non-verbal intellectual performance, on vocabulary and on psycho-linguistic abilities. Long afterward, at age 27, former participants of the Perry Preschool Program had completed significantly higher levels of schooling, had far fewer arrests, higher earnings and more stable adult family lives than non-participants from the same backgrounds.<sup>33</sup>

Age-appropriate General Knowledge and Cognitive Skills. The two major cognitive goals for preschoolers are the ability to understand the concepts of symbols - that is, how one thing represents another - and the ability to understand the concept of relative quantity - that is, understanding that one thing is bigger than another.<sup>34</sup> Good language skills, knowing the alphabet

and knowing how to count help children to understand ideas about order and putting things into categories.

The most intense and sensitive period of cognitive development is the preschool period. A child starts to develop cognitive skills by watching others, by playing and by listening. Children learn about cause and effect by experimenting, by throwing toys down the stairs or off the high chair during meals. They learn about the senses by putting things in their mouths, playing with toys, playing with other children and talking with adults.

Good quality preschool programs have been proven to have significant effects on the cognitive development of children considered to be at risk. Although there is some evidence that early I.Q. gains "fade out," other gains related to cognitive development are remarkable. Children who have attended good quality early childhood programs are less likely to be placed in special education classes, less likely to fail a grade, are more likely to achieve higher levels of schooling and less likely to come in conflict with the law.<sup>35</sup>

The Abecedarian Project in North Carolina worked with children whose mothers were young, Black single parents with less than high school education. The program provided preschool education for the children with a particular emphasis on stimulating language development. The program included very strong support services. Parents were encouraged to participate in group sessions on a wide variety of topics related to parenting and family development. They had the assistance of social workers who provided personal counselling and some direct help with issues such as housing and welfare. A team of on-site nurses and pediatricians provided medical care for the children. Children began attending at extremely young ages, most at about eight weeks of age.

The results from the Abecedarian Project are impressive. At every testing occasion from infancy to the end of preschool, children significantly outperformed children from similar backgrounds who had not attended the program. Despite the very high risk factors, Abecedarian children were six times less likely to score within the mildly retarded range than were children who had not benefitted from the program. When the program examined the results for children at the highest risk of poor cognitive development - that is, the children of mothers with low I.Q. scores - the results were even more marked. The children of low-I.Q. mothers appeared to be especially responsive to intensive, high-quality preschool interventions, and were particularly vulnerable without it.<sup>36</sup>

Study after study shows that children's development benefits enormously from high quality early childhood programs. Research from around the world points to several key ingredients for quality in early childhood programs:

- health and safety provisions that ensure children's well-being;
- an environment that ensures the programs work well for children and the staff;
- staff-to-child ratios that ensure that caregivers and children have enough time with each other learning and forming relationships with each other;
- groups of children that are small enough to allow the children to spend time with each other and their caregivers;
- caregivers with specific training in child development and early childhood education so that they know how to respond to young children's needs;
- staffing that is stable so that children have a chance to develop trusting relationships with the staff; and
- programming that is appropriate for children's developmental levels and individual needs.<sup>37</sup>

Successful programs for the most disadvantaged children must also put a priority on working with children in the context of their families and working with families in the context of their surroundings. The particular pressures of raising children in poverty and stress make it all the more important that disadvantaged parents get the supports they need with their own lives to make sure that they are able to provide for their own children.<sup>38</sup>

## ENDNOTES

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#### **IV. CANADIAN PROGRAMS FOR TWO- TO SIX-YEAR-OLD CHILDREN AND THEIR FAMILIES**

With the enormous changes in family structure and the dramatic increase in the employment of mothers, families and children have a greater need for early childhood care and education programs than ever before. Families that can afford it often send their children to private nursery schools. Family resource centres fill the gap in some parts of the country. Public kindergarten is available to most children, but affordable, accessible and good-quality child care is still extremely hard to find.

During the winter of 1994-1995, the National Longitudinal Survey of Children and Youth found that 32 percent of children eleven or under - 1.5 million children - were in some form of non-parental care while their parents worked or studied. Another million children had been in child care at some earlier point in their lives.<sup>1</sup> This means that a little more than half of all Canadian children experience some form of child care some time in their lives.

Despite the enormous number of children who use the services and the impact these services have on them and their families, Canada still has no real system of early childhood care and education. A maze of programs for young children and their families has developed across Canada, delivered by many different organizations with a variety of goals. Because of the efforts of dedicated service providers, many community-based programs across the country provide good services. But since there is no system of early childhood services to ensure enough affordable spaces, parents often rely on sheer luck to find the programs they and their children need - if programs that are suitable for their families even exist in their communities, and if they can afford them.

We can only describe the current state of children's services as chaotic, with a gross shortage of high-quality and affordable services, an excess of underfunded programs with poorly paid and poorly appreciated staff, and chaos created by the fragmentation and targeting of existing programs. When the federal government replaced the Canada Assistance Plan (CAP) with the Canada Health and Social Transfer in 1996, the few national standards that were in place disappeared.

In each part of the country, the different policies and administrative structures have fostered different approaches to serving children and families. Most provinces and territories still rely on a

mix of commercial and non-profit child care with a wide range of fees and subsidies and provide some rules about the maximum number of children, the qualifications of staff, and the health and safety standards of the places children stay. Free kindergarten, on the other hand, has been a part of the school system in most provinces for a century.

### **Quebec's Family Policy**

The one strikingly different arrangement is in Quebec, where a comprehensive new family policy introduced in 1997 is working to integrate family benefits, paid parental leave, child care and kindergarten. Child care will be available for all preschool children whose parents request it for \$5 a day by 2001 - and as little as \$2 a day for certain families with low incomes.

Quebec replaced several financial support programs for families (the baby bonus, an income supplement for families with children who received welfare and the universal family allowance) in the autumn of 1997 with one unified family allowance. Families with children now get a unified allowance from the provincial government as well as the Canada Child Tax Benefit from the federal government.

Poor families with earned income as opposed to income from government programs may also qualify for benefits from the Parental Wage Assistance Program. Benefits are based on earnings during the previous year and can be as high as \$3,784 a year depending on family size and circumstances.

Maternity and parental leave is part of the federal unemployment insurance system. Eligible families are entitled to 15 weeks of maternity leave and ten weeks of parental leave for either parent, including adoptive parents. Benefits are calculated at 55 percent of the gross earnings of the parent who is taking leave. Parental leave can be extended a further five weeks in cases of adoptions with specific medical conditions. Pregnant workers can begin their unemployment insurance maternity leave as early as eight weeks before the birth.

Provinces and territories can provide additional benefits for families. All provinces and territories provide 17 or 18 weeks of unpaid maternity leave under provincial legislation, but Quebec now provides the most generous parental leave benefits in Canada. Because of major reforms to

labour standards in 1991, Quebec now provides 18 weeks of unpaid leave for mothers and 34 weeks of unpaid leave for the mother, father or adoptive parents. Workers on maternity or parental leave have the right to return to the same job with any salary increases and rights that would have been received if they had been at work. For example, workers are entitled to all salary increases, accumulation of seniority, rights to apply for other jobs, and participation in insurance and pension plans with the employers paying their regular share. Both the mother and father are also entitled to five days of leave at the time of the birth or adoption and a further five days of unpaid leave to take care of children in emergencies. Workers do not have to work a specific period for the same employer before taking parental leave, which eliminates the problem of discrimination against pregnant women.<sup>2</sup>

The Quebec government has developed several initiatives to fill some of the gaps in federal unemployment insurance benefits. The federal program requires that all recipients wait for two weeks before they receive benefits - even when they are on leave for maternity, paternity or adoption leave. Quebec currently provides a maternity allowance to cover the waiting period. If specific work poses potential hazards to pregnancy or nursing, the Quebec workers' compensation plan provides pregnant workers with safer work in the same workplace or leave with benefits worth 90 percent of their salaries for the full term of the pregnancy.

Quebec is currently negotiating with the federal government an integrated system of parental leave that combines federal unemployment insurance with provincial programs. Under the Quebec proposals, mothers would be entitled to 18 weeks of maternity leave at 70 percent of gross earnings. Fathers would be eligible for three weeks' leave, either parent could take seven weeks of parental leave, and adoptive parents would be eligible for 12 weeks - all at 70 percent of earnings, provided the parent earned \$2,000 during the previous year. Quebec plans to eliminate the two-week waiting period altogether.

The best-known part of Quebec's family policy is its child care component. Universally available, affordable child care is being phased in until every child in Quebec is able to get child care for \$5 a day - and less if their families have low incomes. The \$5-a-day contribution entitles children to a maximum of ten hours a day of child care, one meal and two snacks, and all the educational materials the children use at child care.

As of September 1997, all five-year-olds whose families wish to use the service have free full-time kindergarten with \$5-a-day after-school care organized by the education authorities. Kindergarten remains optional, but even before the reforms, 98 percent of five-year-olds already attended kindergarten.<sup>3</sup> All four-year-olds have part-time or full-time junior kindergarten or child care for \$5 a day. Additional free early intervention services are available for four-year-olds whose parents receive welfare.

As of September 1998, all three-year-olds also have \$5-a-day child care. Care for younger children and infants and school-age children is being phased in and will be available for every child under 12 by September 2001.

A new ministry responsible for family and children's services took over the responsibilities of the Quebec secretariat for the family and the bureau for child care services. Existing regional councils of development which have representatives from local governments, non-governmental organizations and the child care sector participate in planning the number and mix of child care arrangements in each region.

The new child care services are intended to be non-profit, community-based and parent-controlled after a five-year transition period. The plan is that all child care will be provided by Early Childhood Centres ("Centres de la petite enfance"), which are new organizations that incorporate many of the existing non-profit child care centres. The Early Childhood Centres are independent of government and have boards of directors in which two-thirds of the members are parents. All Early Childhood Centres now provide a mix of types of child care, including care in the centre and care in the homes of providers. Each Early Childhood Centre provides child care in the centre or in family homes for a maximum of 350 children. The Centres oversee the development of the child care spaces, including the supports to providers taking care of children in their homes.

Child care centres currently provide three-quarters of the spaces, but as more spaces are created for the youngest children, 56 percent of child care spaces will be in centres and the rest of the spaces will be in the homes of providers. Centres are intended to be a hub of family services and will provide a range of other family support services including weekend, evening, part-time and respite care and parenting classes.

Commercial child care will be encouraged to convert to non-profit care, but will be permitted to continue to provide services to parents who pay the full cost of service. Government quality controls over the ratios of staff to children, staff training and salaries, programs and financial reports will continue. During the transition years, while the expansion of the public system cannot keep up with the demand for services, the government has bought spaces in commercial child care which are available to families for \$5 a day. It also increased the ratio of four-year-olds per child care worker from eight to ten.

As Table 4-A on the next page shows, these policy changes represent an enormous growth in Quebec's child care sector. The first three rows show the child care spaces that will be available to children under five by March 31 of each year. The first row shows child care spaces in centres, the next row shows child care spaces in family day care, and the third row shows the total child care spaces.

The government of Quebec has not released information about the percentage of children who will have access to child care under the new system. The bottom row of the table shows estimates by the National Council of Welfare using the number of children four and under in the 1996 census. By March 31, 2005, child care should be available for 38 percent of Quebec's youngest children. Of course, very few children under 12 months are in child care since most parents take the maximum maternity and parental leave, so the number of children needing care is probably slightly lower than we have calculated.

Comprehensive child care is not cheap. Quebec estimates that child care in centres costs about \$22 a day, or \$17 from the government and \$5 from the parents. Care in family day care is about \$15 a day - \$10 from the government and \$5 from the parents. For the fiscal year 1997-1998, the costs of all operating grants, subsidies, the development of new services and the training of staff was expected to cost \$287 million. This included the costs of child care for five-year-olds and part of the year for four-year-olds. In fiscal year 1998-1999, Quebec expects its costs to be \$427 million to cover the additional costs of the partial year of services for three-year-olds and much more extensive development of the infrastructure of child care programs.<sup>4</sup>

TABLE 4-A

**DEVELOPMENT PLAN FOR CHILD CARE SERVICES IN QUEBEC  
FOR CHILDREN FOUR AND UNDER, 1997 TO 2006**

	1997- 1998	1998- 1999	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006
Places available by March 31 each year									
Spaces in centres	62,336	68,200	73,400	77,700	82,100	86,700	91,400	95,300	97,400
Spaces in family day care	21,628	30,400	43,300	52,300	59,800	67,300	74,800	75,700	75,900
Total available spaces	83,964	98,600	116,700	130,000	141,900	154,000	166,200	171,000	173,300
% of Quebec children four and under with a child care space	18%	22%	26%	29%	31%	34%	36%	38%	38%

The family policy - and especially the \$5-a-day child care component - has been wildly popular in Quebec. The implementation of such a large reorganization and expansion of services has not been without problems. Some parents, service providers and advocacy groups have raised concerns about the organization and flexibility of services and the quality of child care during the expansion. Evaluations will tell more about how effective the family policy is.

Three challenges stand out: 1) combining information about families' incomes and eligibility for provincial family benefits in a way that is simple and fast enough to provide income supports to families quickly, when they need the money most, 2) ensuring the flexibility and quality of child care, and 3) ensuring that families that depend on welfare receive adequate incomes.

The National Council of Welfare is concerned that the family policy has not yet provided increases in incomes to families on welfare. However, the Council is impressed by the commitment of Quebec to ensuring the well-being of families with young children by creating a simplified, integrated and universal approach to policy and programs with a focus on child care. Assuming that the early problems are ironed out, Quebec's family policy will stand out as a pioneering approach to family supports in North America and will provide a sensible, logical model for the rest of the country.

### **Child Care in the Rest of Canada**

In the rest of Canada, child care continues to be provided with no clear sense of direction. Child care is severely compromised on three fronts: the availability of spaces to meet the needs of children and their families, the affordability of care and the quality of the services provided.

Accessibility. The number of children who use child care does not even approach the number of children who actually need care. Families use child care to help balance jobs or schooling with their family responsibilities and because children benefit from the opportunity to participate in high quality early childhood education. Most European countries determine the "need" for child care by assuming that all children benefit from good early childhood education, so need is calculated by comparing the number of child care spaces to the total number of children. Sweden, for example, provides child care for 58 percent of all the children in its population under six years old, not just

the children whose mothers have paid jobs.<sup>5</sup> By contrast, Canada had regulated spaces for only nine percent of all children under twelve in 1996.

In Canada, the need for child care is usually measured using the numbers of children with mothers in the labour force, leaving out all the children who might use child care for other reasons. Table 4-B on the next page shows the need for child care for children under 12 years of age, but the following comments focus on the needs of children between three and five. The National Council of Welfare will look at child care for school-age children in a future report.

The first two of the columns for children three to five years old show the total number of children in each province and the total number of children with mothers in the paid labour force. The final column for that age group shows the percentage of children who need care because their mothers are working.

In Newfoundland, for example, there were 21,781 children ages three to five in March 1996, and 12,213 of those children had mothers in the paid labour force. In other words, 56 percent of the children in the age group needed some form of child care.

The percentage of children in the three-to-five age group who need child care ranged from 52 percent in New Brunswick to 70 percent in Prince Edward Island. The average for all ten provinces combined was 60 percent of the children in the age group.

TABLE 4-B

NEED FOR CHILD CARE IN CANADA, MARCH 1996

	Birth to 2 Years Old		3 to 5 Years Old		6 to 12 Years Old		Total Birth to 12 Years Old	
	Total children	Children with Mothers in Paid Labour Force	Total children	Children with Mothers in Paid Labour Force	Total children	Children with Mothers in Paid Labour Force	Total children	Children with Mothers in Paid Labour Force
Newfoundland	19,344	10,166	53%	21,781	12,213	56%	56,861	32,969
Prince Edward Island	5,309	3,794	71%	5,892	4,106	70%	13,906	9,588
Nova Scotia	33,146	18,803	57%	36,933	21,219	57%	86,343	53,055
New Brunswick	26,662	14,972	56%	28,949	15,170	52%	70,425	43,224
Quebec	275,026	163,666	60%	290,252	160,866	55%	627,028	399,561
Ontario	439,851	262,157	60%	458,643	276,775	60%	1,024,079	710,770
Manitoba	44,985	24,837	55%	46,939	30,105	64%	106,311	75,944
Saskatchewan	40,059	24,750	62%	44,529	29,766	67%	107,127	79,583
Alberta	116,518	71,838	62%	124,515	82,343	66%	289,243	211,372
British Columbia	141,582	77,844	55%	143,659	84,186	59%	337,797	244,910
Total	1,142,482	672,827	59%	1,202,092	716,749	60%	2,719,120	1,860,976
							68%	68%
							5,063,694	3,250,552

Table 4-C on the next page shows data that the University of Toronto's Childcare Resource and Research Unit collects every year and compares to the number of children twelve and under in Canada. Where provinces have not been able to provide information about the number of child care spaces for school-age children, the Childcare Resource and Research Unit calculates the proportions of spaces without that category. The number of children in the Yukon and Northwest Territories was not available when the Childcare Resource and Research Unit developed this table, so the final percentage of all children in Canada for whom there are spaces does not include the Yukon and Northwest Territories. The National Council of Welfare has made an estimate of the percentage of spaces for children under twelve in the two territories using data from the 1996 census.

The second column in the table shows the number of full- and part-time spaces in child care centres. Since many provinces do not separate information about full-day from part-day care, the two have been combined. The third column shows child care spaces available for children in school. Although Quebec's school-age child care is not regulated, it is provided by the school boards, so the Childcare Resource and Research Unit includes it in all calculations. The next column shows the spaces available in regulated family day care - that is, in the homes of the child care providers. Column 5 shows the total number of child care spaces that are regulated.

The last column in the table shows the percentage of children who have a child care space. By the best estimates of the Childcare Resource and Research Unit, there were enough regulated child care spaces of any kind for only eight percent of Canadian children 12 and under in 1995.

Child care is much harder to find in some parts of the country than in others. In 1995, Prince Edward Island provided enough regulated child care for 16 percent of children, more than twice the rate of any of its Atlantic neighbours, while Saskatchewan provided enough regulated spaces for only four percent of its children. In Quebec, regulated spaces were available for only nine percent of children. However, Quebec's new child care policy that began in 1997 will create \$5-a-day spaces for all preschoolers whose families ask for them by 2001.

**TABLE 4-C**  
**REGULATED CHILD CARE SPACES IN CANADA, 1995**

	Full-day and part-day child care in centres	School-age care	Regulated care in family homes	Total regulated spaces	% of children 12 and under with regulated spaces
Newfoundland	3,705	497	none	4,202	4%
Prince Edward Island	3,292	568	28	3,888	16%
Nova Scotia	10,476	data not available	169	10,645	7%
New Brunswick	7,838	data not available	114	7,952	6%
Quebec	52,911	40,670	17,871	111,452	9%
Ontario	128,955	data not available	18,898	147,853	8%
Manitoba	12,480	3,255	3,111	18,846	10%
Saskatchewan	3,727	926	2,613	7,266	4%
Alberta	43,262	none	7,826	51,088	10%
British Columbia	31,462	13,360	14,972	59,794	10%
Northwest Territories <sup>1</sup>	1,182	data not available	104	1,286	7%
Yukon <sup>1</sup>	649	189	222	1,060	17%
Total	299,939	59,465	65,928	425,332 <sup>2</sup>	8% <sup>3</sup>

1. Figures for the number of children in Yukon and Northwest Territories were unavailable when the University of Toronto's Childcare Resource and Research Unit created this table. Figures in the last column use the number of children in the 1996 census.
2. Does not equal the sum of all types of services. Some facilities offer more than one service and the licensed capacity for a particular facility does not always equal the sum of spaces by service. Total includes Quebec's unregulated school-board-operated spaces.
3. The two territories have been excluded from the national proportion. Quebec's unregulated school-board operated spaces are included.

Affordability. Unlike most social services, child care is run on a market system in which parents pay for the services their children receive. In 1991, parents' fees covered 50 percent of the costs of operating child care centres across Canada. The rest of the costs was covered by a combination of government grants - 31 percent of the costs was covered by government subsidies to child care centres, nine percent by operating or equipment grants, and four percent by salary grants to support the wages of the child care workers. Like many other aspects of children's services, funding arrangements varied from one jurisdiction to another. In Nova Scotia and Newfoundland, parental fees covered 82 percent of centre costs, and in Manitoba, parents paid 32 percent. Government subsidies ranged from a high of 52 percent of the centre costs in Saskatchewan, to only four percent of centre costs in the Northwest Territories.<sup>6</sup>

Governments can put their support for child care into funding for child care providers or for parents' fees. Funding for child care providers supports service delivery. Most of this type of funding comes from operating grants that cover the costs of running a program and wage enhancement grants that give child care providers better wages. Public funding that goes directly to parents gives them the money to buy child care in the market system.

The federal government's child care expense deduction is an example of one type of a tax break that goes to parents to defray the costs of fees. Families can deduct from the earnings of the lower-paid parent up to \$7,000 of the costs of child care for each child under seven and \$4,000 for children seven to 16 years old. Child care by relatives under 21 is ineligible. Families must have receipts for the expenditures that include the name, address and social insurance number of the child care provider. Since many families cannot get receipts from their unregulated child care providers, many cannot benefit from this tax break. Since the benefit is a tax deduction, the families that benefit the most are those who have receipts for the most costly care and who have high incomes. The child care expense deduction cost the federal government about \$320 million in foregone revenues in 1995.<sup>7</sup>

Most provinces and territories reduced or froze their grants to child care providers during the 1990s, the same period when many other social programs were also cut. In Newfoundland in 1993 and in New Brunswick in 1995, the provincial governments stopped providing these grants altogether.<sup>8</sup> When this support was reduced or eliminated, fees for child care went up.

Child care fees rose significantly from 1989 to 1995. Table 4-D shows the fees for child care without a fee subsidy in all provinces, using information from the University of Toronto's Childcare Resource and Research Unit. The first column shows the province or territory and the next three columns show the fees for child care in 1989, 1993 and 1995. The last column shows the percentage change between 1989 and 1995.

**TABLE 4-D**  
**AVERAGE MONTHLY FEES FOR REGULATED,  
 FULL-TIME CHILD CARE FOR A PRESCHOOLER**

	1989	1993	1995	% Change 1989-1995
Newfoundland	\$354	\$360 to \$380	\$450	27%
Prince Edward Island	\$325	\$375	\$375	15%
Nova Scotia	data for preschoolers not available (infant and toddler fees \$305)	data not available	\$400	31% <sup>1</sup>
New Brunswick	\$266	\$335	\$373	40%
Quebec	\$350	\$328	\$404	15%
Ontario	\$447	\$460 to \$753	data not available	not applicable
Manitoba	\$256	\$348	\$348	36%
Saskatchewan	\$322	\$328	\$358	11%
Alberta	\$300	\$348	\$375	25%
British Columbia	\$392	\$366	\$440	12%
Northwest Territories	\$450 to \$500	\$500	\$536	13% <sup>2</sup>
Yukon	\$373	\$450	\$500	34%

1. Calculated using infant and toddler fee.

2. Calculated using \$475 as the 1989 fee.

In 1989, fees for full-time care ranged from \$256 in Manitoba to \$450 to \$500 in the Northwest Territories. Although British Columbia's child care fees dropped between 1989 and 1993, they rose again by 1995. All other provinces' fees rose throughout the period, from 11 percent in Saskatchewan to 40 percent in New Brunswick.

Even the lowest fees for child care are prohibitively high for low-income families. The average income of all couples under 65 with children under 18 was \$62,116 in 1995, so a typical fee of \$400 a month for a child in care represented eight percent of family income. The average income of poor couples under 65 with children 18 was \$19,691, so child care costs represented 24 percent of family income.

The situation was far worse for families headed by single-parent mothers. The average income of all single-parent mothers under 65 with children under 18 was \$25,122, so child care for one child represented 19 percent of family income. But for poor single-parent mothers, the cost of child care represented 33 percent of their income of \$14,696.

For poor families, child care even for one child is nearly impossible to afford. A poor single-parent mother with more than one child could never afford child care to return to work unless she received a subsidy.

All provinces and territories provide subsidies for the child care fees of low-income families who meet specific criteria. Table 4-E on the next page shows fee subsidies for typical families using the most recent information from the University of Toronto's Childcare Resource and Research Unit. Since Ontario has no data on province-wide income levels for subsidy eligibility, the rates shown for Ontario are the average incomes of families receiving subsidies in Metropolitan Toronto.

Column two shows the family type. The third column shows the highest income families can have before they cease to be eligible for a full subsidy. The fourth column shows the highest income families can have before they cease to be eligible for a partial subsidy. The column on the far right shows the 1995 poverty lines for families with two people and families with four people in the largest cities of each province.

**TABLE 4-E**  
**INCOME ELIGIBILITY LEVELS FOR CHILD CARE SUBSIDIES, 1995**

	Family Type	Eligible for full subsidy up to	Eligible for partial subsidy up to	1995 poverty line in largest city in province
Newfoundland	Single parent, one child	\$9,960	\$18,240	\$18,835
	Couple, two children	\$11,040	\$19,320	\$27,561
Prince Edward Island	Single parent, one child	\$10,080	\$22,200	\$18,399
	Couple, two children	\$14,880	\$39,168	\$26,927
Nova Scotia	Single parent, one child	\$16,812	\$24,540	\$18,835
	Couple, two children	\$17,712	\$34,092	\$27,561
New Brunswick	Single parent, one child	\$15,000	\$23,100	\$18,835
	Couple, two children	\$15,000	\$24,180	\$27,561
Quebec	Single parent, one child	\$12,000	\$35,800	\$21,442
	Couple, two children	\$16,800	\$40,300	\$31,383
Ontario	Single parent, one child		\$15,998	\$21,442
	Couple, two children		\$26,993	\$31,383
Manitoba	Single parent, one child	\$13,787	\$24,369	\$21,442
	Couple, two children	\$18,895	\$40,059	\$31,383
Saskatchewan	Single parent, one child	\$19,668	\$31,920	\$18,835
	Couple, two children	\$20,868	\$45,720	\$27,561
Alberta	Single parent, one child	\$18,710	\$25,765	\$21,442
	Couple, two children	\$22,780	\$37,970	\$31,383
British Columbia	Single parent, one child	\$18,984	\$27,816	\$21,442
	Couple, two children	\$23,016	\$31,846	\$31,383
Northwest Territories	Single parent, one child	Eligibility varies with actual housing, utility, child care, and welfare rates for food and clothing. There is no maximum subsidy.		
	Couple, two children	Not applicable. Statistics Canada does not calculate poverty lines for either territory.		
Yukon	Single parent, one child		\$17,772	\$28,572
	Couple, two children		\$26,172	\$47,772

In many provinces, the income levels for fee subsidies are set so low that only the very poorest families qualify for any help. In a few cases, families cease to be eligible for a subsidy even when they are still below the poverty line. For example, single parents with one child in St. John's, Newfoundland, who earned more than \$9,960 a year no longer qualified for full subsidies. Once they earned more than \$18,240, parents were no longer eligible even partial subsidies, even though the poverty line for a two-person family in St. John's was \$18,835.

Only in Saskatchewan could a single parent earn enough money to get above the poverty line and still be eligible for a full subsidy for child care. In all other provinces, parents stopped getting full subsidies for child care long before their incomes approached the poverty lines.

Couples with two children in Newfoundland and New Brunswick could not qualify for partial child care subsidies while their incomes were below the poverty lines. The average incomes of the two typical family types in Ontario that received child care subsidies were also below the poverty lines.

The funding for fee subsidies is further limited by the total subsidy budget in each province and territory and by the total number of families allowed to receive subsidies in each jurisdiction. Even when they qualify for subsidies, many low-income families just do not get them. The size of the problem is nearly impossible to track since most of the subsidy providers do not keep records of applicants who are not given subsidies. In Toronto in mid-1993, for example, more than 16,000 families were on waiting lists for municipal child care fee subsidies.

Quality. The quality of the child care arrangements in Canada is extremely variable, with the vast majority of children in situations where the quality of care is unregulated and therefore unknown.

Table 4-F on the next page shows the child care arrangements of children under eleven years of age and under who were surveyed by the National Children's Survey during the winter of 1994-1995.<sup>9</sup> The top section shows regulated care arrangements and the bottom section shows unregulated arrangements.

Family home day care providers care for children in their homes. Regulated providers are regulated by provincial authorities and are subject to regular inspections for the quality of care and

the safety of children. Unregulated providers have some provincially imposed requirements limiting the number of children who can be cared for in a home and specifying basic health and safety requirements.

Only 27 percent of the children in child care benefitted from programs that were regulated. These are the children in regulated child care centres (16 percent), the seven percent of children in regulated family home day care arrangements and the four percent in before- and after-school programs. About 34 percent of children in care were in unregulated family home day-care. Another 21 percent were in the care of relatives.

**TABLE 4-F**  
**CHILDREN BIRTH TO 11 YEARS OLD**  
**BY TYPE OF CHILD CARE, WINTER 1994-1995**

Type of Care	Percent of Children
<b>Regulated care</b>	
Child care centre	16 %
Family home day care with non-relatives	7 %
Before- or after-school program	4 %
<b>Total in regulated care</b>	<b>27 %</b>
<b>Unregulated care</b>	
Family home day care with non-relatives	34 %
Care by a relative, in the home of the child or another home	21 %
In child's home	14 %
In the care of brothers and sisters or on their own	3 %
Other	1 %
<b>Total in unregulated care</b>	<b>73 %</b>
<b>Total</b>	<b>100 %</b>

Since regulation of child care is one of the keys to establishing and maintaining quality, the high proportion of children in unregulated care is a major concern. Regulation establishes standards of health and safety, the number of staff per child, the group and program size, and staff training. For regulation to be effective, it must be accompanied by inspection and enforcement, ideally through regular inspections by trained monitors who sometimes visit unannounced.

Unregulated care with adult relatives may be good for children - but only if the relatives take care of the children willingly. Relatives who feel burdened by a sense of family duty and the knowledge that there is little affordable child care in their communities cannot provide the concentrated and caring attention that young children need.

Since standards set the minimum acceptable level of care, regulation does not guarantee quality, but it increases the chance that good quality programs will exist. Regulation is particularly important in Canada since child care is provided by many different types of providers. Some programs are run by governments, some by non-profit, non-governmental organizations and some by commercial operators. Regulated standards of care are essential to establish and maintain any level of consistency and quality of children's care from one setting to another.

Research has proven again and again that regulation makes an important difference to the quality of children's care. In comparisons of child care among several U.S. states, researchers found that where state regulatory standards for child care were higher, programs had more developmentally appropriate activities, higher levels of interaction between the staff and children in the programs and lower staff turnover, and staff were less harsh with the children. Researchers found a statistically significant relationship between quality as measured using the Infant/Toddler Environment Rating Scale or the Early Childhood Environment Rating Scale - both standard measurement tools that are also used in Canada - and the level of the regulatory requirements of the state in which the centre operated.

In home-based child care, where children are taken care of in a caregiver's home, regulated providers were rated as more sensitive than unregulated providers and observed to be more responsive to children. Regulated homes were more likely to provide care rated as adequate or good as measured by a standard assessment tool, and unregulated homes were more likely to provide care that was rated as inadequate. One study even found that the language development of children in unregulated care was far lower than the language development of children in regulated homes.<sup>10</sup>

The requirement for regulation is extremely uneven across Canada. By the end of the 1980s, all provinces and territories introduced child care regulations and systems to monitor the compliance of caregivers. However, each province and territory set its own standards, and most are set significantly below the levels that research has shown are necessary to assure high quality. For example, most provinces allow a higher number of children per care provider than research suggests is desirable. In the provinces where requirements for group size even exist, they allow larger group sizes than research shows is associated with children's well-being.<sup>11</sup> In 1995, maximum number of four-year-old children who could be cared for by one child care provider ranged from seven children in Nova Scotia to ten children in Prince Edward Island, New Brunswick and Saskatchewan.

Family day care, where children are cared for in the home of the caregiver, is available across the country, but standards differ dramatically. In Newfoundland, family day care is not regulated. Providers are individually licensed in Prince Edward Island, New Brunswick, Manitoba, Saskatchewan, British Columbia, Yukon and the Northwest Territories. In Nova Scotia, Quebec, Ontario and Alberta, family day care providers are supervised by licensed agencies. The maximum number of children six and under allowed in unregulated child care ranges from two in British Columbia to eight in Saskatchewan.<sup>12</sup>

Full-time child care in child care centres is available for young children in all provinces and territories and is usually licensed and regulated. Part-day or part-time programs in centres are available in most parts of Canada, but not all provinces demand that these programs be licensed. Care in the child's home is not regulated, although one province, British Columbia, provides subsidies for in-home care.<sup>13</sup>

A 1998 study for Status of Women Canada found that several provinces actually reduced their requirements for regulation during the 1990s. Alberta increased the number of toddlers who can be cared for by one caregiver from five children to six. Alberta also increased the number of toddlers who can be cared for in one group from ten to 12. Nova Scotia increased the number of children who can stay in one unregulated care setting from three children to six. Ontario has announced that it intends to increase the number of preschool children per provider in child care centres and to permit regulated family day care providers to have two additional school-age children before and after school.<sup>14</sup> Increasing the numbers of children for each worker reduces the ability of workers to know each child well and to be attentive to the child's individual needs.

The Business of Child Care. Child care services in all provinces and territories are provided by a mix of non-profit organizations and commercial child care operators. There are important differences in the quality of the care children receive from the two types of child care providers.

Data in Table 4-G was provided by the Department of Human Resources Development. Table 4-G shows that 73 percent of the spaces in child care centres were provided by the non-profit sector in 1996. The second column shows the number of spaces in non-profit child care centres and the third column shows the number of spaces in commercial centres. The fourth column shows the total number of spaces in child care centres. The last column shows the percentage of spaces in child care centres that are non-profit.

**TABLE 4-G**  
**SPONSORSHIP OF REGULATED CENTRE-BASED SPACES, 1996**

	Number of Non-Profit Spaces	Number of Commercial Spaces	Total Spaces	Percent Non-Profit
Newfoundland	579	1,979	2,558	23%
Prince Edward Island	2,634	1,250	3,884	68%
Nova Scotia	4,202	3,179	7,381	57%
New Brunswick	4,657	3,445	8,102	57%
Quebec	83,344	19,842	103,186	81%
Ontario	111,277	23,946	135,223	82%
Manitoba	10,551	1,276	11,827	89%
Saskatchewan	4,726	97	4,823	98%
Alberta	22,381	33,240	55,621	40%
British Columbia	20,145	11,757	31,902	63%
Northwest Territories	989	123	1,112	89%
Yukon	617	215	832	74%
National	266,102	100,349	366,451	73%

The percentage of child care spaces in the non-profit sector varies significantly from one province to another, from 98 percent of spaces in Saskatchewan to only 23 percent of the spaces in Newfoundland. These differences emerged because of historic differences in public policy. In Newfoundland, for example, much of the child care is provided by small commercial operators. In Alberta, the provincial government has often provided support to commercial operators of about the same value as it provided to non-profit providers.

Research has consistently shown significant differences in the quality of child care provided by non-profit and commercial operations. Non-profit child care programs have lower staff turnover, better staff training and satisfaction, better ratios of children to caregivers and smaller group sizes.<sup>15</sup>

Canadian research has shown other significant differences between non-profit and commercial child care, all of which have effects on the quality of children's experiences in child care. A 1992 study of Canadian child care centres compared commercial child care and non-profit child care provided by non-profit organizations and by municipal governments. The study found that 19 percent of caregivers in commercial centres had high school education or less, while only four percent of workers in municipal centres and 14 percent of workers in non-profit centres had similar levels of education. Nearly 76 percent of workers in municipal centres and 57 percent of workers in non-profit centres had certificates or diplomas in early childhood education, while only 49 percent of the workers in commercial centres had the specific training in early childhood education that has been proven so important in ensuring quality in child care.

The same study found that staff in municipal centres received almost double the benefits of staff in commercial centres. Average national wages were highest in municipal child care (\$13.88 an hour in 1992) while wages in non-profit child care were \$10.07 and only \$8.07 in commercial child care. Wages are one of the central factors that affect the ability of programs to keep their staff in the same positions longer, increasing the consistency of care for children. Child care staff in municipal centres had on average worked in the same position for 3.3 years and in non-profit centres the average time in the same position was 3.7 years, but in commercial centres, staff stayed only 2.9 years.<sup>16</sup>

Although high quality commercial child care programs exist, making profits is an explicit purpose of commercial child care. Commercial organizations are allowed to redistribute profits to their owners or shareholders who have an obvious vested interest in making profits. This can

produce a conflict between the needs of children and their families and the needs of the owners and shareholders. On the other hand, non-profit child care is usually administered by voluntary, community-based boards of directors. These groups are less likely to be in conflict between the needs of children and the mandate of the board. Non-profit organizations therefore have a better structure to meet the needs of community-based child care than commercial programs.

Good early child development is a matter of public, not private interest, and that interest is served best when there is no profit motive involved. As the National Council of Welfare stated more than ten years ago in our report Child Care: A Better Alternative, "Profits are made by keeping costs down - paying low salaries to care-givers, raising child-staff ratios or compromising health, safety or nutrition standards - all of which hurt children."

### **Other Programs for Early Childhood Care and Education**

Kindergartens and Nursery Schools. Kindergartens and junior kindergartens provide early education for four- and five-year-old children and nursery schools for three- to five-year-olds. In fact, both kindergarten and nursery school provide early childhood education and care that is very similar to good child care. Kindergarten and nursery schools provide child care as well as education, and child care provides early childhood education.

Over time, the different types of programs developed concurrently through a variety of funding programs and regulation systems. In most cases, kindergartens are run by provincial and territorial ministries of education and local school boards, and are funded and regulated in the same manner as the elementary school systems. Nursery schools are usually privately run but regulated according to provincial and territorial safety and group-care standards of kindergarten or child care. Child care is usually administered through provincial or territorial social services departments.

Children normally begin kindergarten at age five and attend for a half day of about two and a half hours five days a week. In some communities, especially in rural areas where transportation is an issue, children are more likely to have longer days, but fewer days per week. Some programs provide kindergarten for the full school day, about six hours a day.

Nursery schools provide programs to stimulate the development of three- to five-year-old children, usually for a few hours a day in group settings outside the children's homes. Programs are regulated according to provincial and territorial guidelines for child care, but do not offer publicly funded subsidies. As a result, programs are often high quality, but are segregated by income, including only the children of parents who can afford to pay.

Attendance in kindergarten programs is usually free but not compulsory for five-year-olds, and funding is based on a combination of local and provincial or territorial taxes. Some provinces also provide free, non-compulsory junior or pre-kindergarten programs for four-year-olds. Like many other public services, kindergartens in some parts of Canada have suffered from changes to policies and cuts to funding throughout the 1990s.

Prince Edward Island still has no public kindergarten at all. Alberta began to charge parents for kindergarten in 1993 if children attended more than two hundred hours a year rather than the usual 446 hours a year. After an enormous public outcry and a lawsuit, Alberta restored funding to 400 hours a year, which is almost, but not quite, a half day of kindergarten every day.<sup>17</sup> Ontario made it mandatory for school boards to deliver kindergarten for four- and five-year-olds as of 1992, but in 1995, a new provincial government reversed the decision. School boards were no longer required to provide four-year-old kindergarten, and the province reduced the grant for each kindergarten child. When 22 boards of education gave up their four-year-old kindergartens, communities lost more than 20,000 spaces and 1,400 teachers' jobs. Many school boards continue to provide it, and Ontario is still the only province with extensive four-year-old kindergarten.

In New Brunswick, free full-day public kindergarten arrived for the first time in 1992 during a period of reorganization of children's services. The province reduced the mandatory school age from six to five years in 1998 as part of a strategy of investment in early childhood. Until then, about 60 percent of New Brunswick five-year-olds attended private, fee-supported kindergartens for half the day.

Several provinces have experimented with blending kindergarten and child care services. In Quebec, full-day kindergarten is now combined with "wrap-around" child care to cover the full work-day hours of parents, usually eight or nine hours. The kindergarten portion is free, but the extra child care costs \$5 a day. In Ontario, there have been several experiments to combine the staff of

kindergartens and child care programs, but these have been affected dramatically by reorganizations and budget-cutting in the school system, and no final evaluations of these attempts are available yet.

A 1998 study by Laura Johnson and Julie Mathien for the Caledon Institute of Social Policy looked at early childhood services for kindergarten-age children in New Brunswick, Quebec, Ontario and Alberta with the objective of finding out how kindergarten and child care meet the needs of children and families. The parents, kindergarten teachers, child care providers, experts and policy-makers in the study identified many important similarities between kindergarten and child care, particularly in the way both types of programs helped children develop their social skills. The most significant differences were their perceptions of child care as a place for nurturing and play, and kindergarten as a more disciplined and academic setting.

When Johnson and Mathien used a standard assessment tool for early childhood education programs to assess the quality of both types of programming, kindergartens outscored child care in New Brunswick, Quebec and Ontario, but not in Alberta. The researchers attribute the difference in Alberta to the disruptive impact of the changes in Alberta's kindergartens in the mid-1990s. The quality of kindergartens was also fairly consistent across different programs, whereas the quality of child care varied dramatically.

Johnson and Mathien gave two reasons for the higher and more consistent quality of care in kindergarten. One is that kindergartens have much higher training and education standards than child care. All provinces require that kindergarten teachers have university degrees, while child care providers sometimes have no formal education requirements at all. The second reason is that kindergartens benefit from being part of the same school system used by all children. Since everybody's children use the school system, the general public cares deeply about the quality and the content of public education, and all the officials involved - local or provincial - are encouraged to make sure that the standards are high. Even though kindergarten attendance is compulsory in only one of the four study provinces, the benefits filter down from the compulsory grades even when kindergarten is a recent addition. Since the school systems are similar across the country, kindergarten ends up being very similar in every province.<sup>18</sup>

When Johnson and Mathien asked parents about the idea of integrating kindergarten and child care into one full-day, year-round early childhood program run by the school system, they were very enthusiastic. Three-quarters of parents said they would find a combined system extremely or

somewhat favourable for themselves. No parents wanted to maintain the existing split between child care and kindergarten.

Parents identified advantages such as having their children cared for by trained professionals in safe and secure premises, the opportunity for children to learn preschool skills, avoiding the risks and wasted time of travel between different locations, and the continuity of the children's care in one program. What concerned parents most was the possibility that such a system might be vulnerable to arbitrary budget cuts and could reduce the range and variety of program options for parents. Parents were also concerned that such a program might be too structured for younger children and could create risks by including vulnerable younger children with older children, having too many children for the number of staff, or reducing the educational qualifications of staff.

Experts and policy makers also saw integration as good for parents and families. They identified school settings as the most likely location for an integrated system, and thought provincial and local governments should be responsible for managing the services, with the federal government providing funding and co-ordination across the provinces. Kindergarten and child care staff were less enthusiastic about the idea of integrating services, but the majority saw integration as favourable for families. Both kindergarten and child care staff were very wary of sudden and dramatic changes that might affect their programs, and both were more positive about an integrated model if it were introduced gradually.

The report concludes that child care and kindergarten should be integrated, and it makes several recommendations about how this could be accomplished gradually. The researchers recommend that the federal government take the lead in establishing a federal-provincial partnership to fund, implement and evaluate demonstration school-based integrated early childhood education programs for five-year-olds. Johnson and Mathien identify the federal government as central to this process because of its ability to provide funding and ensure consistency across the provinces. In their view, the provinces would take responsibility for curriculum and programs, would encourage communication, co-ordination and shared training between the two program types, and would make the necessary regulatory and funding changes to ensure that programs have the minimum number of trained staff to ensure quality care. School boards or school districts would be the local lead organizations in implementing the changes.

Johnson and Mathien recommend that all three levels of government combine existing and new funding for new, integrated programs. They state that “although the federal government has no jurisdiction in elementary education, its presence is desirable and even necessary to work with the provinces to ensure consistency from province to province and to provide some financial resources.”<sup>19</sup> In the view of the National Council of Welfare, the integration of these services is a very good plan, but the jurisdictional issues related to involving the federal government in achieving this is a major obstacle to the delivery of well-co-ordinated services for preschoolers.

Family Resource Programs. Family resource programs are community-based services that work with families and children on a very wide range of issues. The programs are usually housed in community centres, often in “high risk” neighbourhoods where there are many poor families. The programs typically avoid targeting their services to a specific need or a specific client, and see their work with families as holistic - that is, working with the whole family on many issues, not just child care and early childhood intervention. The primary users of family resource programs are mothers who are not in the paid labour force and women who care for other people’s children as home child care providers.<sup>20</sup>

Family resource programs follow a community-development philosophy that aims to involve the people who use the services in leadership and decision-making. Most of these programs are run by non-governmental organizations, usually with parents forming the boards of directors. Parents are often involved in delivering the services and are encouraged to support one another in formal self-help programs such as discussion groups, and through informal activities surrounding other programming.

Early interventions have been proven to help families develop the skills to become more self-sufficient financially and personally and to take better care of their children long after the interventions are over. One U.S. study compared families in a family support program to similar families who had not used the services. Ten years later, mothers who had participated in family resource programming had completed more education and the families were far more likely to be financially self-supporting. Children had better attendance rates at school and their mothers were more likely to be involved with their children’s schools and more likely to express affection for their children. Teachers rated the behaviour of boys whose families were involved in programming more positively than the behaviour of the boys whose families were not involved. Boys whose families had been involved in a family support program were described as being socially well-adjusted while

most of the boys in the control group were described as being disobedient, usually to a serious degree, and as not getting along with other children. There were no differences in the behaviour of the girls.<sup>21</sup>

One of the great strengths of the family support programs is that they integrate many types of services for children, parents and families. Good-quality child care provides core child and parent supports, but family resource programs extend beyond this focus to include psycho-social services such as individual counselling, peer support and life-skills programs, health services such as pre- and post-natal care and family health clinics, and employment supports such as literacy programs, training and work placements.

For families with limited skills in negotiating the bureaucracy of social services, this approach is extremely valuable and often unique in communities. In fact, many researchers identify these aspects of family resource programs - a broad spectrum of services, flexibility, working with children in the context of their families - as key attributes of interventions that work with very disadvantaged families.<sup>22</sup> Extensive research has shown that parents are better able to take care of their children when they have good personal supports themselves. Working with families and communities as well as children is one of the keys to the success of the Abecedarian Project in North Carolina, the Appalachian home visiting programs and the U.S. Head Start programs discussed earlier in this report.

Unlike child care programs which depend on fees from the families who use the services, family resource programs always operate on a non-profit basis. The only exception is formal child care provided within family resource programming, for which parents pay fees. The non-profit nature of family resource programs frees them from the profit motive, but they are at least as vulnerable to changes in government policy as child care. Since family resource programs integrate so many aspects of services for families, most family resource programs depend on support from many different sources. As a result, family resource program staff spend a lot of time identifying funding sources, writing funding proposals and responding to many funders' administrative needs and deadlines.<sup>23</sup> Programs are vulnerable to changes in any or all of these funding programs.

Over the last decade, family resource programming has emerged as the model of choice of several government initiatives for child development and health promotion. The federal government stepped into the field of direct services for children by introducing the Community Action Program

for Children (CAPC), Aboriginal Head Start and the Canada Prenatal Nutrition Program in the early 1990s. In 1998, the federal Department of Justice added yet another funding stream for children's services through its new Crime Prevention Centre. Provincial initiatives such as Ontario's Better Beginnings, Better Futures also use family resource models of service for "high-risk," usually low-income families with young children. In several provinces, the reinvestment plans for the Canada Child Tax Benefit money which was clawed back from families on welfare also emphasize early intervention and family supports for "high-risk" families.

Family resource programs rely on funding from governments, the United Way, private foundations and donations from individual and businesses. Support usually comes from funding programs for social services, health, education, women's equality, youth, immigrant settlement and employment strategies. Until recently, funding has been primarily from local, provincial and territorial government programs for children's and family services, but federal funding is now a major source of support.

A family resource program typically receives separate grants for each of the components of their work. For example, a typical program could receive funding from the municipal government for child care, fees from parents who use their child care services, support from a private donor for a short-term leadership program, a donation of space from a local business, and federal government support from Health Canada for a child health related project and Human Resource Development Canada for an employment program for teenage parents.

None of the federal funding programs is large enough to respond to the needs of all the children the funding programs are designed to serve. The Community Action Program for Children (CAPC) will offer \$52.9 million in 1998-1999 for 403 community projects serving children under the age of six and their families, the equivalent of \$19 per year for every Canadian child under six.<sup>24</sup> Aboriginal Head Start offered \$19 million in 1997-1998 for 99 projects by community organizations serving Aboriginal children - primarily three and four-year-olds - or about \$24 for every child in its mandate. The funding levels of CAPC and Aboriginal Head Start limit them to supporting a very small number of projects and a tiny proportion of the children in their mandates.

With the growing need for family support and the constantly changing landscape of public funding, family resource programs are plagued with the many of the same problems of chronic under-funding as child care. The 1998 study of family resource programs described the intense

frustration of family resource workers with their inadequate and unstable funding while the needs of families grow. Several family resource programs have been forced to close specific components because of uncertain funding. The Moncton Early Family Intervention Program ended a food distribution program and the North End Parent Resource Centre in Halifax closed a food bank because of insufficient funding, not because the families who used the programs no longer needed help to find food.<sup>25</sup>

Although no studies have tracked the wages and working conditions of family resource centre staff, their work conditions and qualifications are similar to those in child care. The 1998 study of family resource centres noted the demoralizing effect on staff of working with the uncertainty of whether their jobs and the programs will continue to receive funding, while watching the increasing poverty and stress of the families they work with.<sup>26</sup>

Since integration of a very wide range of services is part of their mandate, family resource programs always face serious obstacles in co-ordination of all the parts of their programming. Programs often struggle to avoid taking on more than they can manage, spreading programming too thin, wearing out their staff and volunteers, and maintaining the quality of all aspects of programming.<sup>27</sup> And all programs struggle with the administrative requirements of the various government agencies that fund and license them.

The co-ordination of family resource programming gets even more complicated when governments add or change their funding arrangements. Even more complications arose when the federal government joined the field. Until the arrival of CAPC, almost all direct services for children and families were provided by the provincial and territorial governments and the non-governmental organizations they fund. Each of the provinces and territories had strategies to co-ordinate the various health, social services and training programs that might be delivered by family resource programs. The co-ordination of these programs has always been weak, but the responsibility was clearly in the hands of the provinces and territories.

CAPC was designed to support integrated health and social services for families with young children. When it was introduced, the federal government attempted to co-ordinate the new federal funding with the maze of existing provincial and territorial services by creating committees of federal and provincial officials in every jurisdiction. The success of these committees is very questionable. Community-based projects are now responsible to two levels of government instead

of just the provincial and territorial governments. During Health Canada's evaluation of its children's initiatives, many funding recipients complained of the heavy administrative burden the CAPC co-ordinating committees created. Several provincial officials and funding recipients also complained of the inefficiency and poor co-ordination of the federal funding with provincial initiatives. Several officials of provincial and territorial governments told the evaluators that Health Canada should provide funding and support to the provinces and territories to handle the administration of CAPC.<sup>28</sup>

After introducing CAPC with great fanfare and the assurance that the funding would be stable, the federal government began to erode the funding and alter the administrative conditions. Funding for CAPC was initially announced in 1991 as \$200 million for five years, but before the program even began in 1993-1994, the funding levels dropped to \$166 million. During the federal budget-cutting exercises in 1996, CAPC was hit with yet another large cut - after the initial five-year development period, funding for the on-going years was cut in half. Programs that had spent years establishing themselves in their communities faced the prospect of closing altogether. After intense lobbying by community groups and vigorous complaints by the provincial governments, the federal government announced additional funding for CAPC in the 1997 federal budget. Even with the additional funds in 1997, CAPC has less than the originally-planned funding levels. And no amount of money compensates for the destabilizing effect on programs designed to provide support and stability to vulnerable families.

There is no question that the objectives of the federal government funding programs are excellent. The trouble with these federal programs is that they add further complications to the tangle of fragmented programs and policies that are within the jurisdiction of the provincial and territorial governments. Time and money that should be spent on good programming that works with children is spent instead on managing jurisdictional problems between the two levels of government. Worst of all, after moving into delivering a funding program in the provinces' jurisdiction, the federal government has not even maintained its financial obligations to the community organizations.

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## **V. CREATING A SYSTEM OF EARLY CHILDHOOD CARE AND EDUCATION FOR CANADA**

Any social policy that is serious about supporting children and families must have child care at its centre. Good child care makes an enormous difference in the ability of poor families to find and keep jobs. Affordable child care supports those families that are not poor to stay in the work force. But beyond all this, good child care is an excellent opportunity to provide better early childhood education and to ensure that all children have the same chances for good development.

Good early childhood education has enormous benefits for children, their families and their communities. All the population health research tells us that early childhood experiences are among the most important determinants of a person's health. Ensuring that young children have the experiences that allow them to develop and grow to their potential is crucial to the health and progress of the whole population. Preventing problems and ensuring that children have the best possible early development also makes good economic sense.

The National Council of Welfare believes that Canada must create an integrated family policy that begins with a system of universally accessible, affordable and high-quality child care. In our opinion, public child care is a central issue to the public interest - on par with health care or elementary school - and must be provided as a public service. After many years of making promises to children, it is time for governments to take the action that will make sure that children have equal opportunities to enjoy a healthy early childhood.

Although the federal, provincial and territorial governments have created many small initiatives to support child care and early education, none of the efforts has provided enough resources or the stability to create a system of good quality early childhood care and education. In our opinion, the maze of small initiatives should be organized into one comprehensive, well-co-ordinated system. Equally strong emphasis must be put on supporting both the work force participation choices of parents and early childhood education that promotes the best possible child development.

Funding for child care and early childhood education must be protected from the arbitrary cuts that plague social programs. Families with young children have suffered severe cuts in many

social programs, including welfare, unemployment insurance and supports for direct services such as child care and early childhood education. Cuts are hard on all families, but they are particularly damaging when they affect services for very young children and their families.

A system of this kind will not be cheap - and it must not be cheap. Attracting and keeping good staff takes money but it is essential to delivering good programs for young children. Good programs need enough staff to ensure that the staff-to-children ratio is at a level appropriate to children's needs, not the needs of budget-makers. Health and safety standards must be maintained with strong regulations and inspections.

This chapter looks at the value and the costs of creating a flexible and integrated system of early childhood care and education that provides child care for those families with parents in the work force and early childhood education programming for all families who choose it - whether parents are in the paid work force or not. We then propose a way to put such a system in place.

### **Measuring the Benefits and Costs of a Good Child Care System**

Extensive studies of the costs and benefits of programs for young children show why child care and early childhood education should be at the very top of the agenda for public investments.

In the U.S., researchers at the High/Scope Perry Preschool Program estimated that investments in intense preschool programming for "high-risk" children saved \$7.16 for every one dollar spent. The program spent on average \$12,356 in 1992 dollars on each child for two years of preschool. The Perry Preschool researchers calculate that the program saved \$6,287 in elementary, secondary and post-secondary education costs because children were less likely to repeat grades or use extra services such as special education or residential schooling. Higher taxes because of the higher earnings of people who had attended the preschool were valued at \$8,847 for every person. Perry Preschool alumni were less likely to be involved in crime - either as victims or perpetrators - and the value was calculated at \$12,796 in savings to the justice system and \$57,585 in reduced costs for victims of crimes. Savings to the welfare system were valued at \$2,918 a person.

A 1998 study by Gordon Cleveland and Michael Krashinsky, economists at the University of Toronto, estimated the benefits of a high-quality, affordable universal system of child care and

early childhood education that cost \$7.9 billion. They calculated that the value of the increased employment of mothers if such a system existed would be worth \$6.2 billion and the improvement in child development would be worth \$4.3 billion.<sup>1</sup>

Another 1998 Canadian study looked at the value of providing subsidized child care or recreation services for 1,300 children in 765 families on welfare in Hamilton and Burlington, Ontario. Researchers at McMaster University found that when families on welfare had the financial support to provide their children with high-quality child care or recreation services, both children and parents were in better health and were much less likely to use expensive health and social services.

The project followed families who received intensive public health services, employment retraining, subsidized child care or recreational programming, or a combination of all three. The researchers believe that this study is the first randomized clinical trial in the world that looks at the impact of these social interventions on health and social outcomes and the costs of interventions.

Two years after the study began, children of all ages who received subsidies for child care or recreation were involved in more activities such as clubs and teams - activities that are highly associated with developing good social skills. There were slight improvements in the children's behaviour, particularly among children over five who had behaviour disorders.

Parents were less likely to have nervous system or anxiety disorders, less likely to need medication to sleep, less likely to need counselling or support from food banks and more likely to receive child support. When the researchers provided a range of support services - subsidized child care and recreation services to children, public health services and employment training - 25 percent of the mothers whose children had received comprehensive child care no longer used welfare, whereas only ten percent of the mothers whose children had not received the service were off welfare. The McMaster researchers calculate that the value of the welfare, rent and child care subsidies, medications and dental care that is not used by these families because they now earn higher incomes is worth about \$20,000 for every single-parent family with three children.

The McMaster study found that children who received subsidized child care and recreation services cost a total of \$2,143 a year in health and social services while children who had not benefitted from subsidized services used \$2,313 worth of services each year. Savings were even

greater among children who already had behaviour disorders. The small savings for children - with and without behaviour disorders - happen because the children who used child care and recreational services used fewer services from psychologists, specialized child care and had fewer tests from medical laboratories. The researchers calculate that the savings to the Ontario government health, social services and corrections programs just on the 314 children in this part of the study were \$53,380 a year.<sup>2</sup> In addition, parents of the children in subsidized child care and recreational services used only \$1,570 a year in health and social services while parents whose children had not received services cost \$2,592 a year.

The report concludes that in a system of national health insurance, subsidized services for children pay for themselves very quickly just by reducing the use of expensive health and social services in the first couple of years. Children who received child care and recreational services are very likely to benefit even more over time. Not only do the savings justify the expenses for governments, but children and their families benefit from the services by suffering from far fewer disorders and the unhappiness associated with preventable health problems.<sup>3</sup>

The federal, provincial and territorial governments already spend a considerable amount of money on many programs related to child care and early childhood education. Although all of the programs and their costs are impossible to identify, a recent study made the following estimates of the spending by the two levels of government on the following programs in 1995:

- maternity and parental benefits, mostly through the unemployment insurance system, \$1.2 billion;
- direct child care services and fee subsidies, \$1.1 billion. Of this, \$688.5 million is spent on direct subsidies to parents;
- child care expense deduction, \$320 million. This represents only the federal portion of tax expenditures. A rough estimate would put provincial expenditures at about \$160 million;
- dependent care allowance, \$80 million. Until 1996, this provided child care costs for parents in training programs. The allowance is part of employment-related training that is now administered by the provincial and territorial governments;

- the Community Action Program for Children (CAPC) and Aboriginal Head Start, \$53.8 million;
- First Nations and Inuit child care, \$6 million; and
- Child Care Visions, a research and special projects fund, \$6 million.<sup>4</sup>

The total spending on these programs was \$2.8 billion. Governments also spend money on other programming with significant child care components for very young children through welfare, health care and kindergarten. Many employment training programs and parenting programs, for example, offer child care while the parents attend courses. Despite all these programs, no comprehensive system has ever existed.

The 1998 study by economists Cleveland and Krashinsky calculates the costs of a system that combines early childhood education with child care. Cleveland and Krashinsky based their estimates on a system that would provide high-quality publicly-funded services to 50 percent of all children who are three to five years old and 50 percent of children of other ages whose parents are in the paid labour force.

The average skill levels required of the staff would be somewhat higher than presently mandated for child care. Salaries for child care workers would be about \$30,000 a year with fringe benefits of about 20 percent, so the total annual cost for each worker would be \$36,000.<sup>5</sup> The ratio of staff to children would range from one worker for every five of the youngest children to one worker for every eight of the older preschoolers, an average of one worker for every seven children. For most children, such a system would mean an improvement in the quality of their care - and most research shows that even slight improvements in the quality of children's care improve the children's development.

The cost for every child for a full day of care - from the time the parents drop off the child before work until they pick up the child after work - every work day, all year long would be \$8,500 a year. For those families who continue to have one parent at home to care for young children but want their children to attend regular nursery-school-type programming, half-day programs for three hours a day five days a week all year would cost \$3,000. In families where the children's primary

caregiver goes to work part-time, children would need care for slightly more than half a day five days a week all year for a cost of \$4,500.

In making their calculations, the researchers looked at the different choices parents were likely to make about their children's care. They estimate that with a universal child care program, some mothers who are at home full-time now would start jobs and some would change from part-time to full-time work. All the mothers who work full time now would continue to do so. One-third of the mothers who work part-time would switch to full-time. The rest would not change. Some mothers who are not in the labour force would begin full- or part-time jobs. All these changes would affect the choices they made for their children's care. We discuss the impact of these choices on the employment of mothers later in this section.

Table 5-A shows the cost of creating this system for each age group and work status of mothers. The first column shows the ages of the children and the next four columns show the cost of care by the work patterns of their mothers once the new system is created. The column on the far right shows the total cost of care for children regardless of the employment status of their mothers.

**TABLE 5-A**

**ESTIMATED COST OF CHILD CARE**

**BY AGE OF CHILD AND WORK PATTERN OF MOTHER**

Age of child	Mother employed full-time	Mother employed part-time	Mother unemployed	Mother not in labour force	Total
2 to 4	\$4,465,000,000	\$1,280,000,000	\$240,000,000	\$930,000,000	\$6,915,000,000
5	\$810,000,000	\$185,000,000	\$0	\$0	\$995,000,000
Total (2 to 5)	\$5,275,000,000	\$1,465,000,000	\$240,000,000	\$930,000,000	\$7,910,000,000

The first row shows that child care for two- to four-year-olds would cost \$4.5 billion for children whose mothers are employed full time, \$1.3 billion for those whose mothers are employed part-time, \$240 million for those whose mothers are unemployed, and \$930 million for those whose mothers are not in the labour force. The total cost of child care for two- to four-year-olds would be \$6.9 billion.

Comprehensive child care for five-year-olds would cost far less - \$995 million. The large difference in cost is because so many five-year-olds are already in kindergarten. Additional child care costs for five-year-olds would involve only the "wrap-around" care before and after school to cover the hours the children's parents are at work. The table shows no increase in costs for the children of mothers who are unemployed or not in the labour force. This is because these children would likely be in kindergarten for most of the day, but would go home afterwards and would not need the extra services of "wrap-around" care.

The total cost of the complete child care system is \$7.9 billion. The net cost would be much less, however, because of fees paid by parents and the money governments already provide for the current system.

**TABLE 5-B**  
**COSTS OF A CHILD CARE PROGRAM**  
**FOR TWO-TO-FIVE-YEAR-OLD CHILDREN**

Gross cost of child care for two- to five-year olds	\$7,910,000,000
Less 20% contribution from parents (scaled to income)	-\$1,581,000,000
Less current government expenditures on child care	-\$1,000,000,000
Net cost of program	\$5,329,000,000

The first row of Table 5-B on the previous page shows the total cost of providing the child care system: \$7.9 billion. The second row is the contribution from parents. They would pay 20 percent of the costs on a sliding scale in which parents with low incomes would pay less than parents with higher incomes. Parental contributions to the system would be \$1.6 billion. The following row shows current government expenditures on child care. The researchers included only the cost to the federal government of the child care expense deduction (\$320 million) and the provincial and territorial spending on child care subsidies (\$688 million). They have not included the other spending on related early childhood care and education programs such as provincial spending on grants to child care providers or the Community Action Program for Children (CAPC). The total they deduct is a very conservative \$1 billion. The net cost of the program is \$5.3 billion.

Cleveland and Krashinsky estimate that if such a child care system existed, the work force participation of mothers would change significantly. Table 5-C shows the changes they anticipate. The first and second columns show data from Statistics Canada's Labour Force Survey about the 1996 work patterns of mothers of children two to five years old. Columns three and four show the likely work patterns of mothers after a comprehensive child care system is created.

The first three rows of the table show the likely changes in the employment of mothers who were at home full-time with their children or who were unemployed. Even after a comprehensive child care program was created, 30 percent of mothers would continue to stay home. About eight percent of mothers would take on part-time work and five percent would find full-time work if there was child care available.

The next two rows show the changes for the 18 percent of mothers who were employed part-time. About a third of the mothers who work part-time would take full-time employment if there was child care. Instead of 18 percent of mothers working part-time, six percent of mothers would be full-time workers and 12 percent would continue to be part-time.

The second to last row shows that the number of mothers already working full-time would not change.

Overall, if this child care system were in place, 104,000 mothers of preschoolers who are now at home would take part-time jobs, 65,000 would take full-time work and 78,000 mothers working part-time would take full-time work.

**TABLE 5-C**

**PROJECTED EMPLOYMENT STATUS OF MOTHERS  
WITH CHILDREN AGES TWO TO FIVE YEARS**

Status Without Comprehensive Child Care	Percentage in 1996	Estimate With Comprehensive Child Care	Number of Mothers	Percentage
Not in labour force or unemployed	43%	Same	390,000	30%
Not in labour force		Part-time employment	104,000	8%
Not in labour force		Full-time employment	65,000	5%
Part-time employment	18%	Same	156,000	12%
Part-time employment		Full-time employment	78,000	6%
Full-time employment	39%	Same	507,000	39%
Total	100%		1,300,000	100%

These increases in the employment of mothers would create a significant increase in the incomes of families and a corresponding drop in the number of families with children who would live in poverty. The need for support from welfare and other social programs would go down and public revenue would increase as families paid more tax on their new, higher incomes. We have not included these savings in our calculations of the cost of the child care system.

**Making Child Care Happen**

The National Council of Welfare believes that an integrated system of early childhood care and education is a priority for Canadian social policy. Universal education is not just a need: it is a right guaranteed to all children by the United Nations Convention on the Rights of the Child. At the 1990 World Conference on Education for All in Jomtien, Thailand, United Nations member countries affirmed the role of education as "the most vital element in combatting poverty, empowering women, promoting human rights and democracy, protecting the environment and

controlling population growth.”<sup>6</sup> Among the six goals established at the Jomtien conference was the expansion of early childhood care and education, especially for the poor.

As UNICEF stated in its report, The State of the World’s Children 1999, child care is a “social imperative.”<sup>7</sup> In the opinion of the National Council of Welfare, the creation of a national program of child care for Canada is central to eradicating child and family poverty.

Good child care is not cheap. But several billion dollars spent on early childhood care and education represents a relatively modest investment in fighting child poverty and creating a healthy and productive population. In a country where the federal, provincial and territorial governments spent \$339 billion in 1997 and the value of all the goods and services produced was \$866 billion, finding \$5 billion for such a key program is manageable.

Until 1996, the federal government provided financial support for social services to the provinces and territories through a 50-50 cost-sharing agreement called the Canada Assistance Plan. The accounting arrangements were cumbersome and sometimes became a bone of contention for the federal, provincial and territorial governments.

In April 1996, CAP was replaced with the Canada Health and Social Transfer (CHST). The CHST is a block-funding arrangement that includes all the federal government’s support for medicare, post-secondary education, welfare and social services. The new arrangement included a significant cut in federal support for these programs and a significant change in the way the provinces and territories account for the money they receive. In the 1994-1995 fiscal year, the federal government paid \$29.4 billion to the provinces and territories, partly in cash and partly in taxing powers. By 1997-1998, total federal support fell by 14 percent to \$25.2 billion. Under the CHST, provincial or territorial governments could theoretically use all the federal money for medicare and none for the other areas. The February 1999 federal budget announced an increase of \$11.5 billion to the CHST over five years but for health care only. Funding for welfare and social services has not been increased.

In our opinion, child care is so important to social policy in Canada that the federal government must play a central role in establishing and maintaining a system that makes sure children have the opportunities for development and families have a fair chance at finding and keeping jobs that support them in a decent standard of living. The federal government has

established and maintained such a role in health care with standards for the quality of care. It must now do the same for child care.

This section of the report spells out our proposal for creating a national child care program that guarantees affordability, availability and quality. First we look at the basic principles of a national child care program, then we explain how it could be put in place across the country.

Provincial or Territorial Delivery of Direct Services. The delivery of all child care and early childhood education should take place at the provincial and territorial level. Each province and territory is in the best position to establish the type of system that will work best for its families and to determine the best way to integrate child care with education, health and social services.

The federal government should remove itself from funding direct services to families with young children and limit its role to providing financial support and maintaining national standards in a national child care program.

The provinces and territories should determine whether they wish to continue to fund the activities currently supported by federal programs such as the Community Action Program for Children. If they wish the programs to continue, the provincial and territorial governments should integrate the programs with the existing education, health, social services and training programs they already support.

The one exception is services for Aboriginal families and children where the federal government has unique and specific obligations. The federal government should maintain its presence in this area and ensure that it provides adequate and stable funding to support stable community-level programming.

National Standards. The new national child care program should be based on standards of affordability, availability and quality. Both levels of government must commit themselves to ensuring that child care receives funding that is adequate to cover the costs of providing good quality care. The federal government must ensure that the national child care program receives adequate funding to support provincial and territorial delivery of services. The provinces and territories must ensure that community-based child care funding is stable and adequate to attract and retain high-quality staff.

National standards should be developed for methods of recovering fees from parents to cover approximately 20 percent of the cost of child care. Families with incomes below the poverty line should pay no fees. Middle-income families should pay approximately 30 percent of the cost of care and high-income families should pay 50 percent. Provincial and territorial governments must have the discretionary authority to apply fees according to their own policies within this framework.

The federal, provincial and territorial governments should negotiate and establish national standards for staff-to-child ratios, group sizes, health and safety.

The standards should be enforced by the federal government. Funding to the provinces and territories should be tied to the number of full-time and part-time child care spaces available and their adherence to national standards. Provinces and territories would not account for the exact spending on child care spaces.

Child care must be established as a non-profit service dedicated to maintaining high-quality, affordable services. Provincial and territorial governments should develop strategies to phase out the role of the commercial sector in public child care. Once a national child care system is established, no funding from the national child care program should be available for commercial child care providers.

Block Funding. The national child care program should be a cash-only arrangement between the two levels of government. When it is operating at full capacity, the national child care program will require \$5 billion to \$6 billion each year from the two levels of government.

In the first year, the federal government should provide the full \$995 million cost of care for five-year-olds less the parental fees averaging 20 percent for a net federal contribution of \$796 million. From the second year on, the federal government would pay 55 percent of the government share of the national child care program.

Providing slightly more than half the government share of costs would compensate provincial and territorial governments for the costs when the federal government withdraws from direct services for young children such as the Community Action Program for Children (CAPC). A slightly higher amount from the federal government also ensures that poorer provinces and territories would be able to establish child care of equal quality.

Provincial and territorial governments would pay 45 percent of the government costs of the national child care program.

Once the program is established, the federal government would pay about \$3.5 billion annually and provinces and territories would pay \$2.8 billion.

The federal government should use a portion of the money in the existing Canada Health and Social Transfer - perhaps \$1 billion - and \$2.5 billion in new money to finance its share of the national child care program.

Child care funding must be maintained at a stable level and protected from arbitrary cuts. The demand for child care is relatively stable and can be predicted based on the paid employment of mothers. A formula based on the labour force participation of women and the actual number of full-time child care spaces in each province and territory would be appropriate in determining the allocation of funds for a national child care program.

Integrated Services. Very strong integration of child care with education, health care and other provincially delivered family services makes good sense. This is particularly important in organizing child care for five-year-old children who frequently attend both kindergarten and child care, and in organizing services for "high-risk" parents who do not have the skills to manoeuvre through a maze of services.

We strongly recommend that each province and territory assess the best ways to ensure that the duplication of administration between systems is minimized. Quebec's Early Childhood Centres and the family resource centres elsewhere in Canada are models that the provinces and territories should examine closely. Child care programming that is associated with the kindergarten and primary school system is another possibility.

### **Building the System Year by Year**

Although the need for early childhood care and education for all preschoolers is evident, a new program does not have to deliver all new services in one fell swoop. The creation of a new integrated system of child care will require extensive collaboration and changes in education, health

and social services. Sudden and poorly planned changes to children's programs have damaging effects on the quality of services and must be avoided wherever possible.

The National Council of Welfare recommends phasing in an integrated system of early childhood care and education. The most logical model to follow is the Quebec government's introduction of child care one year at a time. The Council is aware that there have been some difficulties in the implementation of Quebec's child care system, but we believe that evaluations of the Quebec experience will provide important advice to the other provinces and territories. This approach would allow each province and territory to co-ordinate child care with other services for families and children according to the specific needs of their jurisdictions.

We recommend that the national child care program begin by making child care available to all five-year-old children beginning in the autumn of 2000. Since most provinces and territories already have good kindergarten programs, this step will be the least expensive. Care for this age group would cost \$995 million, less the 20 percent contribution of parents. The total cost to governments for the care of five-year-olds is \$796 million.

The national child care system must be flexible and should provide at least three choices for families. Parents with full-time jobs should be able to choose full-day child care from the time the parents drop off the child before work until they pick up the child after work every work day, all year long. For families where the children's primary caregiver goes to work part-time, the system should provide care for slightly more than half a day five days a week all year. For those families who continue to have one parent at home to care for young children but want their children to attend regular nursery-school type programming, there would be half-day programs for three hours per day five days a week all year.

The federal government should transfer the full \$796 million to the provinces and territories in the first year. This would allow the provincial and territorial governments some extra funding to create new child care spaces, prepare them for the next years of the program and strengthen child care services for children outside of this age group.

Each year, the program should be expanded to include one more age group. By autumn 2001, child care should be available for four-year-olds. It should be available for three-year-olds by 2002 and for two-year-olds by 2003.

Table 5-D on the next page shows our calculations of the cost of child care. In each of the second, third and fourth years, the cost of care goes up by \$2.3 billion or one-third of the \$6.9 billion cost of providing child care for two- to four-year-olds shown earlier in Table 5-A.

In the column for 2001-2002, we added \$2.3 billion to cover the cost of care for four-year-olds. The row labeled "total cost" shows that for 2001-2002 child care would cost \$3.3 billion. The next row shows parental contributions of \$660 million. The row below that shows that once parental contributions are deducted from the total cost, child care for that year would cost governments \$2.6 billion. The federal government's share appears in the following row: \$1.5 billion. Provinces and territories would pay \$1.2 billion.

In 2002-2003, we added another \$2.3 billion for the care of three-year-olds. The total cost is \$5.6 billion. The cost for governments is \$4.5 billion - \$2.5 billion from the federal government and \$2 billion from the provinces.

In 2003-2004 and future years, child care would be in place for 50 percent of all two- to five-year-olds and 50 percent of children outside that age group. The total annual cost would be \$7.9 billion, less parental contributions. The cost to all levels of government would be \$6.3 billion. The federal government would pay \$3.5 billion and the provinces and territories \$2.8 billion. These figures do not include any savings from the reductions in the cost of welfare and other social programs and the increases in tax revenues when the work force participation of mothers increases.

In 2003-2004, all federal programs that provide direct services to children - except those for Aboriginal children and families - would be transferred to the provinces and territories. By our estimates, the end of the Community Action Program for Children (CAPC), Child Care Visions, Justice Canada's Crime Prevention Centre and all other federal programming is worth about \$60 million annually. The money would be applied to the national child care program.

Our calculations of the costs are slightly higher than Cleveland and Krashinsky's figures. This is because we do not propose eliminating the child care expenses deduction outright. Since the program provides a tax break for families with children 16 and under, families with school-age children and families with children under two will continue to need some relief from the costs of care.

**TABLE 5-D**

**NATIONAL COUNCIL OF WELFARE PROPOSAL FOR  
FUNDING A NATIONAL CHILD CARE PROGRAM**

	2000-2001	2001-2002	2002-2003	2003-2004
Cost of service for five-year-olds	\$995,000,000	\$995,000,000	\$995,000,000	\$995,000,000
Cost of service for four-year-olds		\$2,305,000,000	\$2,305,000,000	\$2,305,000,000
Cost of service for three-year-olds			\$2,305,000,000	\$2,305,000,000
Cost of service for two-year-olds				\$2,305,000,000
<b>Total cost</b>	<b>\$995,000,000</b>	<b>\$3,300,000,000</b>	<b>\$5,605,000,000</b>	<b>\$7,910,000,000</b>
Parental fees (20% of total cost scaled to income)	\$199,000,000	\$660,000,000	\$1,121,000,000	\$1,582,000,000
Total cost to governments	\$796,000,000	\$2,640,000,000	\$4,484,000,000	\$6,328,000,000
Federal government share (55%)	\$796,000,000	\$1,452,000,000	\$2,466,200,000	\$3,480,400,000
Provincial/territorial share (45%)	\$0	\$1,188,000,000	\$2,017,800,000	\$2,847,600,000

Beginning in 2003-2004, the tax deduction should be changed to a tax credit limited to parents with children under two, children six to 16 and families with exceptional circumstances such as disability that do not allow them to use the public child care system.

A national child care program is the first and biggest step in any serious plan to eradicate child poverty in Canada. Although the creation of a national child care program with strong federal leadership is a move away from the direction of other social policies, we see it as a logical response to the changing needs of families and the responsibility of governments to support children and their families. In the view of the National Council of Welfare, this approach provides clear roles for both levels of government with the federal government providing leadership and the provinces and territories providing direct services.

Quebec's family policy initiative and universal child care program show that comprehensive and sensible family policy is an achievable goal for all governments - and a popular goal with families. Although the establishment of Quebec's child care has not been completely smooth, the approach of integrating child care with other policies supporting families makes good sense. In the next chapter, we describe the other steps Canada must take to provide support to families with young children.

## ENDNOTES

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3. Gina Browne and others, Benefitting All the Beneficiaries of Social Assistance is “Within Our Reach”: A RCT of the Two-Year Effects and Expense of Subsidized Versus Non-Subsidized Quality Child Care/Recreation for Children on Social Assistance and When the Bough Breaks: Provider-Initiated Comprehensive Care is More Effective and Less Expensive for Sole Support Parents on Social Assistance (Hamilton, Ontario: McMaster University, 1998).
4. Jane Beach, Jane Bertrand and Gordon Cleveland, Our Child Care Workforce: From Recognition to Remuneration (Ottawa: The Child Care Sector Study Steering Committee, 1998), p. 31.
5. According to Beach, Bertrand and Cleveland, the average annual employment earnings of a full-time, full-year worker with a post-secondary diploma or certificate was \$18,747 for workers in child care centres and \$12,220 for in-home workers in 1990.
6. UNICEF, The State of the World’s Children 1999 (New York: UNICEF, 1998), p. 14.
7. Same, p. 71.

## **VI. RECOMMENDATIONS**

Just about everyone knows that child poverty has devastating effects. Child poverty hurts children's development and it reduces their chances of successes socially, in school and later on in their work lives - all of which increase the possibility that poor children will grow up to be poor adults. The extra difficulties that children face when they grow up in poverty place additional burdens on families already struggling with the other stresses of poverty. The costs of health and social services to help poor children overcome the extra obstacles they face during childhood and later when they face the job market with lower levels of education and fewer job skills come out of the public purse. Child poverty is bad for children, bad for their families and bad for Canada.

It is easy for people to sympathize with poor children and forget the reasons they are poor. In recent years, there has been a lot of talk about reforming welfare programs to take children off welfare - without taking their parents off welfare. But in reality, children are poor because their families are poor. Children do not have their own incomes. They rely on their parents for financial support - as well as all the other supports that make up a healthy childhood. As long as parents are poor, children will be poor.

Any policies that aim to eliminate child poverty and to overcome the damage poverty causes must support parents as well as children - both financially and socially. The National Council of Welfare supports the statement of the United Nations' Convention on the Rights of the Child that the family is "the fundamental group of society and the natural environment for the growth and well-being of all its members and particularly children . . . [and] should be afforded the necessary protection and assistance so that it can fully assume its responsibilities within the community." Raising children well is a community effort. All families - rich, poor and in-between - need support from their extended families, neighbours and communities to raise children. In our view, supporting families is the only sensible approach to supporting children.

Families take better care of their children - both materially and emotionally - when they have the financial means to do so, but certain families face higher hurdles than others when it comes to providing for their children. Young adults face extremely high levels of unemployment, and when they find work, they are more likely to have undependable jobs with low wages.

Many two-parent families depend on the wages of mothers to bring their incomes out of poverty. But children are more likely than ever before to see their parents split up. Because of that, more children than ever before will live in single-parent households headed by their mothers - at least for a while. Almost two-thirds of the families headed by single-parent mothers live below the poverty line, and the poorest of all are families with young single-parent mothers. It is clear that strategies to support the work of mothers - especially young mothers - are vital to helping all families to support themselves and vital to ending child poverty.

Many social programs support families, but child care is the backbone of them all. Child care has been shown over and over again to be the essential ingredient for the work force participation of parents - and especially mothers. When child care is high quality, affordable and accessible, it can be the centre of many other services and supports for families, including family resource programs, parenting courses, job training and peer supports. But without a strong system of child care, many families simply cannot participate in the job market. When parents can't find work, other family support services are left picking up the pieces and trying to repair the damage that poverty causes.

Governments often talk about the importance of helping people to get jobs, the importance of fighting child poverty and the importance of early child development. Although governments have been reluctant to admit it in recent years, overwhelming evidence points to good child care as key to supporting parents in the labour market, key to helping parents to earn enough to keep their children out of poverty, and a key opportunity to provide good early child development services.

The National Council of Welfare believes that the solution to the problems of child poverty is an integrated system of good family policy. The existing piecemeal collection of fragmented and vulnerable policies and programs at all levels of government creates unnecessary confusion and complications for parents trying to pull together the services they need and for service providers trying to create and maintain stable and high-quality programs. For governments, the current situation creates an unjustifiable duplication and overlapping of services with absolutely no benefit for families.

It has been ten years since the House of Commons passed its unanimous resolution to end child poverty by 2000. Obviously, child poverty will not be over by next year. Instead of giving up on the goal, the National Council of Welfare believes that Canada should take the opportunity to put

policies in place by the 2000 federal budget that will ensure that children and their families are less likely to live in poverty in the years to come.

This section presents recommendations for governments based on the observations we made in the earlier chapters of this report. The National Council of Welfare sees the following policies as essential in eradicating child poverty in Canada.

Canada must create an integrated family policy. Labour, income support, employment equity and education policies must work together with child care and early childhood education. Not only do many of the existing policies fail to work together, they often work at cross-purposes. Parents on welfare often cannot find the child care they need to take paid jobs, workers in low-wage jobs often cannot make enough money to rise over the poverty line, and many employers do not provide work environments that support workers in their roles as parents.

Many European countries have succeeded in establishing comprehensive family policies that have proven over the years to be extremely successful in reducing child poverty, increasing women's work force participation and providing good social supports for families. The government of Quebec has recently adopted a similar comprehensive approach to family policy that includes \$5-a-day child care for preschool children, improved parental leave and a unified allowance for parents of young children.

The federal government and the provincial and territorial governments must work together to integrate all their policies to ensure that they support families. Both levels of government must assess all existing public policies for their impact on families with young children. New public policies should be scrutinized for their effects on families with young children before being enacted.

Just as Saskatchewan provided the model for public health insurance in the 1960s, Quebec is providing innovative leadership in family policy in the 1990s. Quebec has had difficulties in the implementation of the child care component, but its commitment to ensuring the well-being of families with young children is impressive. Evaluation of the successes and difficulties in establishing Quebec's family policy should be used as a guideline for implementing family policy in other parts of Canada.

The federal, provincial and territorial governments must create a national system of child care and early childhood education. Parents cannot participate fully in the labour market unless they find high-quality child care that they can afford. Children benefit enormously from early childhood education programs, and good quality child care programs can provide other supports to families.

The National Council of Welfare believes that a national system that combines child care with early childhood education makes good sense. Setting such a system in place is the very first step in developing family policy. Until a system of early childhood care and education is in place, none of the other policies and programs to support families will ever amount to more than patchwork.

We propose a national child care program that would provide child care for 50 percent of all children from two to five. The program would support flexibility in child care arrangements so that a family can choose care for the full work day, part-time care to cover a parent's part-time work hours or shorter early education programs for children with a parent who is not in the work force. Child care could be provided in regulated non-profit centres or in regulated family homes.

Parents would cover about 20 percent of the total cost of child care. Parental payments would be calculated on a sliding scale, where families with incomes under the poverty line pay nothing, middle-income families would pay about 30 percent and high-income families would pay about 50 percent of the actual cost.

The federal, provincial and territorial governments should negotiate a new financial arrangement for child care based on federal cash-only payments to cover a major portion of the costs. The federal government would pay 55 percent of the government costs and the provinces and territories would pay 45 percent. This system would cost the federal government an estimated \$3.5 billion annually once it is fully established. Provincial and territorial governments would pay an estimated \$2.8 billion annually. The national child care program should be designed to provide adequate financial support for high-quality child care spaces. Funding to provincial and territorial governments should be tied to the number of full-time and part-time spaces.

National standards should be negotiated by the two levels of government and enforced by the federal government. Standards would include staff-to-child ratios, group sizes, health and safety, and methods for establishing parental fees. Parental fees would cover 20 percent of the cost of the

national child care system, but families with incomes below the poverty line would pay no fees. Provinces and territories could determine the method of calculating parental fees as long as those parents living below the poverty line paid no fees and the total parental contribution did not exceed 20 percent. The National Council of Welfare recommends that the maximum fee for upper-income parents be limited to about 50 percent of the costs. Provinces and territories might decide to administer parental fees as a flat rate similar to Quebec's \$5-a-day system with subsidies for those parents whose incomes are below the poverty line, but provinces and territories might wish instead to base all fees on individual calculations of parental incomes.

The provinces and territories are in the best position to ensure that the system responds to the specific labour force and early childhood education needs in each region. Since the provinces and territories are already responsible for the delivery of other direct health and social services, they are in the best position to integrate child care and early childhood education with health, education and social services. Provincial and territorial governments should ensure that community-level services for children and families are provided in an integrated, comprehensive manner. We strongly recommend that the provinces and territories ensure that the particular needs of children with disabilities and other special needs are addressed in the design of services. Quebec's Early Childhood Centres and the family resource centres elsewhere in Canada are models that the provinces and territories should examine closely.

The program should begin in 2000 with child care for 50 percent of five-year-old children. In the first year, the federal government would provide \$796 million and parents would pay 20 percent of the costs on a sliding scale. Care for four-year-olds, three-year-olds and two-year-olds would be introduced for one age group each year until 2003.

The federal government should remove itself from the provision of direct services for families and children. In 2003-2004, when the national child care system is in place for two- to five-year-old children, the federal government should transfer all programs that provide direct services to the provinces and territories. The money would be applied to the national child care program. The one exception is services for Aboriginal families and children such as the Aboriginal Head Start program. The federal government has unique and specific obligations to Aboriginal people and should maintain its presence in this area and ensure that it provides adequate and stable funding to these programs.

The National Council of Welfare recommends that in 2003-2004 the child care expense deduction be changed to a tax credit limited to parents with children under two, children six to 16 and families with exceptional circumstances such as disability that do not allow them to use the public child care system.

The federal, provincial and territorial governments must re-assess and develop labour market policies to ensure adequate wages and working conditions for parents.

- Minimum wages must allow workers to support themselves and their families at adequate levels. Both the federal and provincial governments must ensure that minimum wages in their jurisdictions provide adequate incomes.
- The federal government must provide wage supplements to parents in the labour force to cover the additional costs of raising children.
- The federal and provincial governments must ensure that employment equity and pay equity laws are strengthened and enforced. Women, people from certain visible minority groups, Aboriginal people and people with disabilities face serious obstacles in the labour market that undermine their ability to support their families. The important work of child care providers, most of them women, is often badly undervalued and underpaid. Strong employment and pay equity laws could make a considerable difference in attracting and keeping highly skilled staff in child care and early childhood education.
- Both levels of government must ensure that legislation governing maternity and parental leave in their jurisdictions adequately covers the time parents require to care for young children. Existing parental leave covers the first months of children's lives. Parents also need time to care for sick children and take them to school and medical appointments until their children are much older. Parental leave must be available for both mothers and fathers, and policies must ensure that neither parent is penalized for taking leave to take care of children.

The federal government should examine existing paid maternity and parental leave under the Employment Insurance Act and reform it to ensure that it provides adequate coverage for parents. The unstable employment patterns of youth mean that many young parents cannot

qualify for adequate maternity and parental leave under this program. The two-week waiting period for maternity and parental leave in Employment Insurance should be abolished.

Provincial and territorial governments should reform their labour codes to provide adequate unpaid maternity and parental leave. Leave should be available for the two-year period immediately after the birth of a child. For starters, parents should also be able to take ten days of unpaid leave each year for each of their children to care for them when they are sick and to take them to school and medical appointments. Parents should also be allowed to use their own sick leave to care for sick children under 12 years of age. Flexible work arrangements should be promoted for all workers.

- Provincial and territorial governments should ensure that training and education programs are available for parents planning to re-enter the job market. This will be particularly important as more parents re-enter the work force when more child care is available.
- Governments should make the creation of more and better jobs a priority. Job creation is good for all Canadians. Job creation strategies should make particular efforts to improve the job prospects of youth.

Welfare policies must be redesigned to support families with young children. The National Council of Welfare has often raised the issue of disincentives to work, but welfare policies still place major obstacles in front of welfare recipients who want to find and keep work. For welfare recipients with young children, one of the highest hurdles is finding affordable child care where a parent can leave a child without worrying about the quality of care.

- “Workfare” should be banned outright. Encouraging welfare recipients to find some kind of work is reasonable, but assigning them to menial or dead-end “workfare” jobs as a condition of welfare is bad social policy and is tantamount to servitude. Forcing parents on welfare into demeaning jobs creates serious stresses that undermine their ability to take care of their children.
- Welfare recipients who return to the labour force must be provided with the same high-quality child care as other families. Forcing welfare recipients to leave their children with

unregulated and unenthusiastic babysitters creates an unfair worry for parents and places very poor children in the worst possible child care conditions.

- Welfare rates must be high enough to cover the costs of the necessities of life as measured by a “market basket” of goods and services. Rates should be indexed to rise annually as costs go up. Once rates are set in this manner, they must not be changed arbitrarily.

Welfare rates must be high enough to ensure that even the poorest of families have incomes that are high enough that parents can feed their children adequately. The National Council of Welfare believes that families should be given the supports they need to provide for their own children. Feeding programs for children are not an acceptable alternative to providing families with adequate incomes.

- Welfare programs must ensure that recipients with young children have every opportunity to finish their educations and get the training that will allow them to find work that can support them and their children. Training programs must ensure that all parents are provided with child care.
- Welfare programs must ensure that families with dependent children are granted earnings exemptions that reflect the true costs of returning to the work force. Earnings exemptions should be based on net income after deductions for income taxes, pension and unemployment insurance premiums, union dues and the cost of work-related clothing and transportation.

All levels of government must protect programs for families with young children. Over the last decade, federal, provincial and territorial governments have made many severe cuts to social programs. Families with young children have suffered from the cuts to welfare, unemployment insurance, child care and education. In Ontario, families on welfare saw their incomes drop by 21.6 percent in 1995. Alberta enacted dramatic changes and cuts in kindergarten programs.

All levels of government must ensure that they protect services for families with young children from further arbitrary cuts and changes in policies.

The 1999 federal budget speech restored much of the money cut from health care earlier in the decade. It remains to be seen whether the 2000 budget will do the same for the other social programs and mark a step forward in child care and early childhood education. Only then will we know whether the government of Canada is serious about keeping its promises to children.

**APPENDIX**

**1996 POVERTY TRENDS, CHILDREN AND FAMILIES**

	Number of Children Under 18 Living in Poverty	Poverty Rate for Children Under 18	Single-Parent Mothers Under 65 With Children Under 18	Couples Under 65 With Children Under 18
1980	984,000	14.9%	57.7%	9.4%
1981	998,000	15.2%	54.8%	9.7%
1982	1,155,000	17.8%	60.9%	11.3%
1983	1,221,000	19.0%	61.7%	12.3%
1984	1,253,000	19.6%	62.8%	12.6%
1985	1,165,000	18.3%	62.5%	11.3%
1986	1,086,000	17.0%	58.8%	10.8%
1987	1,057,000	16.6%	59.0%	10.1%
1988	987,000	15.4%	56.7%	8.9%
1989	934,000	14.5%	52.9%	8.5%
1990	1,105,000	16.9%	60.6%	9.6%
1991	1,210,000	18.3%	61.9%	10.7%
1992	1,218,000	18.2%	58.4%	10.1%
1993	1,415,000	20.8%	59.8%	12.4%
1994	1,334,000	19.1%	57.3%	11.3%
1995	1,441,000	20.5%	57.2%	12.6%
1996	1,481,000	20.9%	61.4%	11.9%

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The National Council of Welfare was established by the Government Organization Act, 1969, as a citizens' advisory body to the federal government. It advises the Minister of Human Resources Development on matters of concern to low-income Canadians.

The Council consists of members drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council has included past and present welfare recipients, public housing tenants and other low-income people, as well as educators, social workers and people involved in voluntary or charitable organizations.

Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including: income security programs, welfare reform, medicare, poverty lines and poverty statistics, the retirement income system, taxation, labour market issues, social services and legal aid.

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, 2<sup>e</sup> étage, 1010 rue Somerset ouest, Ottawa K1A 0J9.





